

Terms & Conditions of Sale of SIT Manufacturing N.A., S.A. de C.V.

SCOPE: These terms & conditions of sale (hereinafter the “**General Terms & Conditions**”) shall apply to all the supplies of any product and/or accessories (“**Products**”) provided by SIT Manufacturing N.A., S.A. de C.V., R.F.C.: SMN-991019-N37 (hereinafter “**SIT**”). The offer, order confirmation, order acceptance of sale of any Product described on the front side of this document or included document is subject to and conditioned upon acceptance by the purchaser of these General Terms & Conditions. Any additional or different terms proposed by purchaser will not be binding upon SIT unless accepted in writing by SIT. These terms and conditions of sale shall apply to this offer, order confirmation, order acceptance or sale whether or not they applied to a prior purchase by purchaser. As used in these terms and conditions of sale, “Products” means those products set forth on the front side of this document or included document.

1 Acceptance. All purchase orders received by SIT are subject to final acceptance or confirmation by SIT and no terms or orders are binding upon SIT until so accepted.

2 Deliveries. Unless otherwise specified by SIT in writing, all deliveries are Ex Works “Incoterms 2020”. All risk of loss or damages to Products sold shall pass to purchaser in accordance to the terms agreed. Delivery is conditional on the timely receipt by SIT of documents necessary for the completion of the purchase order, any down payment, and purchaser’s compliance with these terms and conditions. Delivery schedules represent SIT estimates only, and partial deliveries are permissible. SIT will not be liable for any delay in the performance of purchase orders or agreements, or in the delivery of Products, or for any damages suffered by purchaser by reason of such delay. Delivery of the Products is subject to purchaser maintaining credit satisfactory to SIT, who may suspend or delay performance or delivery at any time when pending receipt of assurances, including full or partial prepayment or payment of any outstanding amounts owed, adequate to SIT in its discretion, of Purchaser’s ability to pay. Failure to provide such assurances shall entitle SIT to stop the delivery of the Products without further liability or obligation to SIT.

3 Prices. Unless otherwise specified by SIT, prices are quoted on the front side of this document or included document. Prices are subject to change by SIT without notice to purchaser. Prices do not include the value added tax or any other tax, right or burden applicable in any jurisdiction and that may be levied in connection with the Products or their delivery, which will be paid by the purchaser (and if for any reason SIT pays such, purchaser shall reimburse SIT for such payments). Upon the request of SIT, purchaser shall provide SIT a tax exemption certificate acceptable to the appropriate taxing authorities.

4 Terms of Payment. Unless otherwise specified by SIT on the front side of this document or included document, the purchase price shall be due in full by purchaser upon delivery of the Products. Extension of credit, if any, may be changed or withdrawn by SIT at any time. Invoices not paid within ten (10) days after their due date will be subject to carrying charges. Unless otherwise specified by SIT on the front side of this document or included document, carrying charges shall accrue and be added to the unpaid balance in the amount of one point five percent (1.5%) per month of any overdue unpaid balance, or the maximum rate permitted by law, whichever is less. Purchaser shall reimburse SIT for the cost of collection, including, without limitation, attorneys’ fees, of any overdue amount owed by purchaser to SIT, and such collection costs shall also be subject to the carrying charges. purchaser may not hold back or set-off any amounts owed to SIT in satisfaction of any claims asserted by purchaser against SIT.

5 Returned Products and Claims. Within thirty (30) days after the invoice date, purchaser must give written notice to SIT of any claim by Purchaser based upon the condition, quantity, or quality of the Products sold or of any claimed nonconformity with the specifications, and the notice must indicate the basis of the claim in detail; purchaser’s failure to comply with this paragraph shall constitute irrevocable acceptance by purchaser of the Products delivered and shall bind purchaser to pay to SIT the full price of such Products. Products sold shall not be returned without SIT’s prior written consent and transportation charges for return shall not be paid by SIT unless authorized by SIT in advance.

6 Cancellation/Changes. Purchaser may not cancel or change an order once placed with and accepted by SIT except with the prior written consent of SIT and upon terms that will indemnify SIT against any loss. SIT may correct mathematical or clerical errors.

7 Limited Warranty. SIT warrants that the Products sold to purchaser will meet SIT’s published specifications for such Product in the case of valves for a period of twenty-four (24) months from the date of manufacture and in the case of accessories for a period two (2) months from the date of manufacture. SIT will repair, or in its sole discretion, replace, any Product found by SIT to have been covered by this warranty at the time of delivery if (i) such Product is returned (at purchaser’s expense and risk) and received by SIT within ten (10) days after the applicable warranty period and (ii) purchaser sets forth in writing to SIT information describing the Product, including the type of Product, invoice number, shipment date, installation date and the product into which Product was installed, and a full description of any alleged warranty failure, for SIT to determine if Product is covered by this warranty. Failure to comply with these requirements shall nullify and void this warranty. SIT shall have a reasonable time to make repairs or replace a Product found by SIT to be covered by this warranty.

Specifications and limitations for Products may be established by SIT from time to time. Purchaser shall follow and comply with all specifications and limitations contained in SIT’S technical documentation or otherwise provided to purchaser. Samples, descriptions, representations, and other information concerning Products contained in SIT catalogs, advertisements, or other promotional materials or statements or representations made by SIT employees or sales representatives are for general information purposes only and are not binding upon SIT with respect to such limited warranty provisions. No employee or sales representative of SIT shall have any authority whatsoever to establish, expand or otherwise modify SIT’s Product specifications and limitations without SIT giving its prior express written consent to purchaser.

This limited warranty does not cover normal maintenance or items consumed during normal operation nor normal wear and tear, improper installation, improper use or use under circumstances exceeding specifications, abuse, unauthorized repair or alterations, lack of proper maintenance or damage caused by natural causes such as fire, storm, or flood. Except as otherwise provided, SIT shall not be liable for transportation, labor or other charges for adjustments, repairs, replacement, installation, or other work which may be done upon or in connection with the Products sold. This limited warranty is purchaser's exclusive remedy. It shall not be deemed to have failed of its essential purpose so long as SIT is willing and able to repair or replace defective Products in the manner specified. No allowance will be made for repairs made by purchaser. Except as herein provided, SIT shall not be liable to purchaser in any manner with respect to the Products. In no event shall SIT's liability to purchaser ever exceed the purchase price of the allegedly defective Product.

NO OTHER EXPRESS AND NO IMPLIED WARRANTIES OF ANY TYPE, WHETHER OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR OTHERWISE, OTHER THAN THOSE EXPRESSLY SET FORTH ON THE FRONT HEREOF AND THOSE SET FORTH ABOVE (WHICH ARE MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES) SHALL APPLY TO THE PRODUCTS.

8. EXCLUSIONS. SIT SHALL NOT IN ANY EVENT BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS, WHETHER ARISING FROM ANY DEFECT IN THE PRODUCTS, ANY USE OF THE PRODUCTS, FROM PURCHASER'S INABILITY TO USE THE PRODUCTS, OR OTHERWISE.

9 Excusable Delays. SIT shall not be liable for delays or failure to perform due, directly or indirectly, to (i) causes beyond SIT's reasonable control, or (ii) acts of God, acts of any governmental authority, vendor failures, delays in or inability to obtain materials or services through SIT's normal course at normal prices, wars, terrorism, national crisis, pandemics, strikes or other labor disputes, fires, and natural calamities (such as floods, earthquakes, storms, epidemics).

10 Selection and Application. Purchaser is solely responsible for proper selection and application of Products, as well as the incorporation of Products into other equipment or products. Purchaser agrees that it will use and apply Products only for safe and appropriate uses and according to specifications and limitations established by SIT from time to time. Purchaser shall indemnify and hold SIT harmless from and against any and all damages, claims, or expenses (including attorney's fees) arising out of or relating to improper selection, application, use or incorporation of Products or abuse of Products.

11 Intellectual Property. All current and future intellectual property, in any and all forms, associated with Products is the exclusive property of SIT (or its affiliates) and purchaser has and shall obtain no rights in such intellectual property. Any changes or modifications to Products or future goods developed by SIT (or its affiliates), whether alone or with others including with purchaser, are and shall be the property of SIT (or its affiliates) and not purchaser. Purchaser agrees that any information, drawings, designs, specifications, samples, test results and other technical information and documents, now or hereafter submitted by purchaser to SIT may be used by SIT to invent or develop goods or to make changes or modifications to Products and such inventions, developments, changes and modifications, and any intellectual property, and any resulting goods or products shall be the property of SIT (or its affiliates) and not purchaser.

12. Infringement. Purchaser shall, at its expense, indemnify and hold SIT harmless from and against any claim, liability expense (including attorneys' fees) or loss resulting from any infringement or any patent, trademark, copyright or other property interest of a third party arising out of SIT's use of any drawings, designs, specifications, samples, test results or other technical information or documents submitted by purchaser. If SIT requests, purchaser shall defend SIT, at its expense, in any suit brought against SIT alleging such infringement, provided that SIT gives purchaser prompt notice of such suit, and SIT gives purchaser information reasonably requested by purchaser relating to such suit, and gives reasonable assistance, at purchaser's expense, to purchaser with such suit.

13 Information Delivery. Purchaser shall execute and deliver any financing statements and other documents that SIT may require to verify the capacity of payment of the purchaser.

14 Equipment Unless otherwise agreed by SIT, any tools or equipment which SIT constructs or acquires specifically for use on purchaser's order, shall be and remain SIT's property and in SIT's sole possession and control, and any charges made by SIT thereof shall be SIT's property. When for a period of one (1) year no orders are accepted from purchaser for Products to be made with such equipment, SIT may make such disposition of such equipment as it desires without prior notice or liability; provided that SIT may use the equipment in any way, in its sole discretion. SIT shall have no responsibility for loss or damages to such equipment or any material owned or furnished by purchaser while in SIT's possession. Equipment charges designated as estimated will vary in accordance with actual costs.

15 Assignment. Purchaser shall not assign its rights or obligations hereunder without the prior written consent of SIT and any purported assignment without such consent shall be of no effect.

16 Limitations. Any action by purchaser under or relating to this agreement or the Products sold must be commenced within one (1) year after such cause of action has accrued.

17 Choice of Law. These General Terms & Conditions, the sale of Products and any dispute or claim relating to or arising out of these General Terms & Conditions or the sale of Products to purchaser shall in all respects be governed by and construed according

to the applicable laws of the United States of Mexico. Purchaser and SIT agree that the clauses of the United Nations Convention on Contracts for the International Sale of Goods will not be applicable.

18 Arbitration. Any litigation, dispute or claim relating to or arising out of these Terms & Conditions or the sale of Products to purchaser shall be settled by arbitration in accordance with the Arbitration Rules of the Mexico City National Chamber of Commerce, in effect at the time of its commencement. The place of arbitration shall be Mexico City. The language which shall be used in the arbitration proceedings shall be English.

19 Entire Agreement. The provisions contained on the front side of this document or included are incorporated into these General Terms & Conditions by reference. Purchaser and SIT acknowledge that these General Terms & Conditions constitute the entire agreement between the purchaser and SIT with regard to the sale or transfer of the Products sold and supersede all prior oral or written statements or any kind made by the parties or their representatives. The headings in this document are for the convenience of the parties only. These General Terms & Conditions may not be amended, modified, or supplemented except by written agreement executed by the purchaser and SIT. In case one of the provisions of this General Terms & Conditions is nullified, invalid or unenforceable, it shall not affect, in any way, the effect or enforceability of the other provisions between the parties. The provisions nullified, invalid or unenforceable shall be modified in order to satisfy the economic and legal sense of the original provisions to the maximum extent allowed by law.

20 Language. This document has been issued in both Spanish and English languages. The English version shall prevail in any legal action or proceeding brought in the competent court.

We hereby accept and agree to the General Terms & Conditions of SIT Manufacturing N.A., S.A. de C.V.

PURCHASER: _____

Signature: _____

Name: _____

Title: _____

Date: _____