

SPX HEAT TRANSFER INC.
TERMS AND CONDITIONS OF PURCHASE
(Revision Date: 5/20/10)

1. **ACCEPTANCE.** These Terms and Conditions of Purchase shall be incorporated as part of and apply to the purchases of goods or services under this Purchase Order (“Order”). Seller’s acceptance of this Order shall occur upon the earlier of:
 - a) Seller’s signing and returning the acknowledgment copy of this Order, or
 - b) Seller’s commencement of manufacturing or shipment of goods or performance of services under the Order. **ACCEPTANCE OF THE ORDER SHALL CONSTITUTE SELLER’S AGREEMENT TO COMPLY WITH AND BE BOUND BY THESE TERMS AND CONDITIONS. ANY ADDITIONAL OR INCONSISTENT TERMS OR CONDITIONS CONTAINED IN ANY QUOTATION, BID, ACKNOWLEDGEMENT, OR OTHER DOCUMENT OF SELLER ARE OBJECTED TO BY SPX HEAT TRANSFER INC. AND SHALL NOT BE EFFECTIVE OR BINDING AS TO SPX HEAT TRANSFER INC., UNLESS AGREED IN WRITING AND SIGNED BY AN OFFICER OF SPX HEAT TRANSFER INC..** Upon acceptance, the Order constitutes the entire agreement of SPX HEAT TRANSFER INC. and Seller. Trade usage and course of dealing or performance shall not be employed to vary, explain or supplement these terms and conditions. Any reference on the face of the Order to any bid, proposal, or offer of sale is deemed to be limited to the description of the goods and shall not effect or modify these terms and conditions.

2. **DELIVERY SCHEDULE & FORCE MAJEURE.** SPX HEAT TRANSFER INC. requires 100 percent on-time deliveries, and, therefore, **TIME IS OF THE ESSENCE OF THIS ORDER.** Seller shall not anticipate delivery, however, by purchasing materials or manufacturing goods in excess of what is reasonably required to meet SPX HEAT TRANSFER INC.’s delivery schedule. Items received in advance of such schedule may, at SPX HEAT TRANSFER INC.’s option, be returned at Seller’s risk of loss and expense or be accepted, with payment withheld until the scheduled delivery date. SPX HEAT TRANSFER INC. shall have no liability to Seller for SPX HEAT TRANSFER INC.’s failure to perform any of its obligations under this Order, if such failure arises out of or relates to causes or events beyond SPX HEAT TRANSFER INC.’s control.

3. **INSPECTION AND REMEDIES.**
 - a) SPX HEAT TRANSFER INC. (or SPX HEAT TRANSFER INC.’s customer, including any governmental agency) shall have the right, but not the obligation, to inspect goods and services at times and places designated by SPX HEAT TRANSFER INC. before, during or after delivery or performance. If an inspection takes place at the premises of

Seller or its Supplier, Seller shall provide, at Seller's expense, all reasonable facilities and assistance to such inspectors. Seller shall maintain a test and inspection system acceptable to SPX HEAT TRANSFER INC..

- b) If SPX HEAT TRANSFER INC. determines that any goods provided or services performed under this Order are defective or fail to conform to the requirements of the Order (including Seller's warranties and covenants under these terms and conditions), SPX HEAT TRANSFER INC. may reject or revoke acceptance of such goods or services and may:
 - (i.) terminate all or any part of the Order (as provided hereunder);
 - (ii.) repair or return such goods to Seller for repair or replacement (at Seller's risk of loss and expense of unpacking, examining, repacking, and reshipping); or
 - (iii.) retain such goods or services at an adjusted price. Seller shall be liable for all damages of SPX HEAT TRANSFER INC.. These remedies are in addition to any other remedies provided hereunder, at law, or in equity.

4. WARRANTY.

- a) Seller warrants with respect to goods and services provided under this Order that:
 - (i.) Seller has clear title, free of all liens and encumbrances;
 - (ii.) there are no claims of third parties of any nature whatsoever arising out of or related to the goods or services;
 - (iii.) all goods (including, without limitation, hardware, software, firmware and systems consisting of goods working together) and services are new and in strict conformance with the specifications, drawings, samples, designs or other descriptions furnished to or by SPX HEAT TRANSFER INC., and shall be merchantable, of good quality and workmanship, free from defects in material and workmanship and fit for SPX HEAT TRANSFER INC.'s particular purpose;
 - (iv.) all services shall be performed in a competent manner in accordance with the requirements of the Order and fulfill the particular purpose intended;
 - (v.) prices charged herein are as low as any net price now given by Seller to any other customer for similar goods or services, and if at

any time during the contract period lower prices are quoted anyone for similar goods or services, such lower net prices shall, from that time, be substituted for the prices contained herein; and

- (vi.) the sale or use of the goods or services covered by the Order shall not infringe or contribute to the infringement of any patents, trademarks, copyrights, or other proprietary rights.
 - b) These warranties extend to SPX HEAT TRANSFER INC. and to customers and users of SPX HEAT TRANSFER INC.'s products or services.
 - c) The warranty period shall be the longest term provided by applicable law and shall commence on the date of SPX HEAT TRANSFER INC.'s acceptance of the goods or services. Seller agrees that this warranty shall cover costs associated with gaining access to or removal of equipment impeding access to any warranty item requiring repair. A new warranty period shall commence from the date of acceptance of any replacements of goods or services that are defective or that fail to conform to the requirements of this Order.
 - d) Seller's warranties shall survive inspection, acceptance, and payment and shall be in addition to any other warranties of Seller, whether express, statutory or implied.
 - e) Remedies for breach of these warranties are cumulative and shall include those provided under these terms and conditions and any available at law or in equity.
 - f) In the event warranty work is needed, SPX HEAT TRANSFER INC. agrees to consult with Seller to determine the best plan of action to resolve the issues. Seller will reimburse SPX HEAT TRANSFER INC. on a quarterly or monthly basis for the full cost of the warranty expense incurred by SPX HEAT TRANSFER INC., including but not limited to reasonable travel, diagnostic, labor, parts and concessions costs, required to correct such non-conformance in accordance with SPX HEAT TRANSFER INC.'s standard labor rates and standard labor hours. SPX HEAT TRANSFER INC. agrees it will not make repair without consulting with Seller (unless health or safety concerns require immediate action) and receiving approval for the proposed repair.
5. **EPIDEMIC COVERAGE.** An "Epidemic Fault" is defined as the failure of a specific part or component of the Products that singularly, or in conjunction with other parts or components of the Products, results in a failure of the Products to perform as warranted, which failure occurs in three percent (3%) or more of the total number of units of the Products shipped or manufactured by Seller to SPX HEAT TRANSFER INC. or its customers during the most recent twelve (12) month period.

In the event of the determination of an Epidemic Fault (as determined by SPX HEAT TRANSFER INC. and Seller), Seller will be responsible for the full expenses associated with any necessary replacements, recalls, retrofits, or other corrective action required to reconcile the Product in the field containing the fault.

6. TERMINATION

- a) SPX HEAT TRANSFER INC. may terminate all or any part of its purchases under this Order, without liability to Seller, if Seller:
 - (i.) fails to deliver goods or perform services within the time and in the quantities and quality required by SPX HEAT TRANSFER INC. or to give adequate assurances requested by SPX HEAT TRANSFER INC.;
 - (ii.) breaches these terms and conditions (including Seller's warranties and covenants);
 - (iii.) fails to make progress so as to endanger timely and proper performance of the Order, and such failure is not cured within ten (10) days (or any shorter period which is commercially reasonable under the circumstances) after notice from SPX HEAT TRANSFER INC.; or
 - (iv.) ceases to conduct its operations in the normal course of business, including inability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought by or against Seller or a receiver for Seller is appointed or applied for, or an assignment for the benefit of creditors is made by Seller. In addition to obtaining a refund or credit and any other remedies provided herein or available at law or in equity, SPX HEAT TRANSFER INC. may, upon such termination, repurchase substitute goods or services elsewhere, on such terms as SPX HEAT TRANSFER INC. deems appropriate, and charge Seller with any excess costs and losses incurred by SPX HEAT TRANSFER INC., including special and incidental damages.
- b) SPX HEAT TRANSFER INC. may terminate all or any part of the Order for convenience, in which case:
 - (i.) Seller shall, as directed by SPX HEAT TRANSFER INC., cease work and deliver to SPX HEAT TRANSFER INC. all satisfactorily completed goods or materials and work in process; and
 - (ii.) SPX HEAT TRANSFER INC. shall pay to Seller reasonable

termination charges solely limited to the costs of materials, goods and labor that are incurred prior to Seller's knowledge of such termination, provided that Seller takes reasonable steps to mitigate its damages.

- c) To the extent not terminated by SPX HEAT TRANSFER INC., Seller shall continue performance under the Order.
 - d) Any termination under section 6(a) adjudged to be wrongful shall be deemed to then be a termination for convenience under section 6(b), but with SPX HEAT TRANSFER INC. having the right to avail itself of all of its remedies under these Terms & Conditions of Purchase, at law or in equity.
7. **LIMITATION OF LIABILITY.** SPX HEAT TRANSFER INC. SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS ORDER, INCLUDING ANY TERMINATION, REJECTION, OR REVOCATION OF ACCEPTANCE OF ALL OR ANY PART OF THE ORDER. IN NO EVENT SHALL SPX HEAT TRANSFER INC.'S LIABILITY HEREUNDER EXCEED THE PURCHASE PRICE OF THIS ORDER.
8. **INDEMNITY AND INSURANCE.** Seller agrees to defend, indemnify and hold the other and its directors, officers, employees, customers, affiliates, agents, contractors, successors and assigns harmless from and against any and all claims, liabilities losses, damages (including special, consequential and incidental damages), actions and expenses (including attorney's fees) in connection with:
- a) any breach by Seller of its warranties, covenants or obligations hereunder;
 - b) any injury (including death), property damage, or economic loss arising out of or related to:
 - (i.) defective or nonconforming goods or services supplied by Seller under this Order, or
 - (ii.) acts or omissions of Seller or its employees or subcontractors in providing goods to or performing work, including work at SPX HEAT TRANSFER INC.'s or a customer's premises or using SPX HEAT TRANSFER INC.'s property, unless resulting from the sole negligence of SPX HEAT TRANSFER INC.;
 - c) any failure to comply with laws under Section 10; and
 - d) any infringement or contributory infringement of a patent, trademark, copyright, or other proprietary interest by reason of the manufacture, delivery, license, use, or sale of the goods supplied or services performed

under the Order (“Infringement”), regardless whether (a) through (d) arise in tort (including negligence), contract, warranty, strict liability, or otherwise.

Seller shall provide worker’s compensation, commercial general liability, automobile, public liability, and property damage insurance in amounts and coverage’s sufficient to satisfy all claims hereunder. Such policies shall name SPX HEAT TRANSFER INC. as an additional insured, shall be endorsed to be primary to any coverage provided by the other, and shall contain a waiver of any subrogation rights against the other.

Notwithstanding anything to the contrary in this agreement, in the event the damages or injuries are the result of the concurring negligence of any of the indemnified parties and Seller, each party shall bear responsibility for same in proportion to their respective, relative fault as finally adjudicated or as mutually agreed between the parties.

Seller’s indemnification obligations survive the termination of this Agreement.

9. INTELLECTUAL PROPERTY INFRINGEMENT. For any Infringement (as defined above), the infringing party shall, at the infringing party’s expense, obtain for the non-infringing party a perpetual, royalty-free license with respect to such item, or shall replace or modify the item in a manner satisfactory to the non-infringing party, so as to avoid the infringement without any degradation in performance. The infringing party’s obligations shall apply even though the non-infringing party furnishes any portion of the design or specifies materials or manufacturing processes used by the infringing party.

10. COMPLIANCE WITH LAWS.

- a) In providing goods or services under this Order, Seller shall comply with any and all applicable federal, state, local, and international laws, regulations, ordinances, executive orders, rules, orders, standards, conventions, directives, and treaties, including those relating to:
 - (i.) design, manufacture, transportation, sales, advertising, distribution, exportation, importation, labeling, packaging, certification, or approval of the goods or services; or
 - (ii.) employment discrimination, hours and conditions of employment, occupational health and safety, wages, environmental matters, product safety, motor vehicle safety, corrupt or deceptive practices, boycotts, antitrust, consumer products, or government subcontracting.
- b) At SPX HEAT TRANSFER INC.’s request, Seller shall certify in writing Seller’s compliance with the foregoing. Seller’s invoices shall contain

Seller's certification that the goods purchased hereunder have not been produced, and will not be produced, in violation of any of the provisions of the Fair Labor Standards Act of 1938. At or prior to the time of delivery to SPX HEAT TRANSFER INC., Seller also shall provide at no cost to SPX HEAT TRANSFER INC. all pertinent Material Safety Data Sheets, as specified by federal Occupational Safety and Health Administration requirements, in an electronic format that SPX HEAT TRANSFER INC. can manipulate, edit and print.

11. **CHANGES.** SPX HEAT TRANSFER INC. may, at any time, make changes in the Order, including changes in the quantity, delivery time or place, shipping or packing method, or any drawings, specifications or designs. If such a change causes a material increase or decrease in the cost of, or the time required for, performance of the Order, Seller shall notify SPX HEAT TRANSFER INC. in writing immediately. Any claim by Seller for an adjustment in time for performance or price must be asserted in writing within ten (10) days from date of notification of a change. No change shall be binding on SPX HEAT TRANSFER INC. unless agreed, in writing, by an authorized representative of SPX HEAT TRANSFER INC..
12. **SPX HEAT TRANSFER INC.'S PROPERTY & INFORMATION.** All tools, dies, molds, templates, equipment, specifications, data, drawings, designs, software or materials furnished by SPX HEAT TRANSFER INC. to Seller or paid for by SPX HEAT TRANSFER INC., including replacements and materials attached thereto, shall remain and be marked as the personal property of SPX HEAT TRANSFER INC.. Such items shall be separately stored and insured by Seller, and Seller assumes all risk of loss and liability arising out of or related to the items, until such items are returned to SPX HEAT TRANSFER INC.. These items shall be used by Seller only for filling SPX HEAT TRANSFER INC.'s order and are subject to immediate removal, at SPX HEAT TRANSFER INC.'s written request, with each item to be delivered (at Seller's expense) in its original condition, reasonable wear and tear accepted. Seller shall provide to SPX HEAT TRANSFER INC., without restriction on use or disclosure, all information and documents that Seller has or shall develop or acquire related to the work Seller is performing under the Order. Such information and documents shall be deemed to be "works for hire" and be the property of SPX HEAT TRANSFER INC., with SPX HEAT TRANSFER INC. having a right of use for any purpose, without liability to Seller. All information and documents SPX HEAT TRANSFER INC. may have disclosed or shall disclose to Seller in connection with the goods to be delivered or services provided under the Order shall be deemed confidential and proprietary and shall not be disclosed or used by Seller without the written consent of an officer of SPX HEAT TRANSFER INC..
13. **GOVERNMENT CONTRACTS.** If the product or services to be delivered or performed under this Order are for the purpose of enabling SPX HEAT TRANSFER INC. to perform a government contract or subcontract, this Order incorporates by reference any clauses required to be included by such contract or subcontract or by any applicable law, ordinance, rule or regulation, including the equal employment opportunity clause in Section 202 of Executive Order 11246 of September 24, 1965,

as amended by Executive Order 11375 of October 13, 1967, Revised Order No. 4 of December 4, 1971, Section 402 of the Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended, Section 211 of Public Law 95-507, as amended, and Section 503 of the Rehabilitation Act of 1973, as amended, relative to affirmative action, non-discrimination, and equal employment opportunity and implementing rules and regulations thereof.

14. PRICES, INVOICES, AND SET-OFF. Unless the face of this Order contains a special notation by SPX HEAT TRANSFER INC. to the contrary, all prices are:

- a) firm and not subject to increase or additional charges during the period of the Order;
- b) in U.S. dollars and F.O.B. SPX HEAT TRANSFER INC.'s facility (with risk of loss and title passing to SPX HEAT TRANSFER INC. at that location); and
- c) inclusive of all freight, duty, and taxes other than sales or use taxes Seller is required by law to collect from SPX HEAT TRANSFER INC.. Such sales or use taxes shall not be included in Seller's invoice if the SPX HEAT TRANSFER INC. indicates that the goods or services ordered are exempt from such taxes. Applicable taxes shall be separately stated on Seller's invoice. Seller shall deliver duplicate invoices to SPX HEAT TRANSFER INC. immediately upon shipment of goods or completion of services. Invoices shall be paid based on the later of the date of SPX HEAT TRANSFER INC.'s receipt of conforming goods and services or SPX HEAT TRANSFER INC.'s specified delivery date, and not on the basis of Seller's invoice date. All purchases are on open account to be paid by SPX HEAT TRANSFER INC.'s check. SPX HEAT TRANSFER INC. shall be entitled to set off any amount owing at any time from Seller to SPX HEAT TRANSFER INC. or its affiliates against any amount payable at any time by SPX HEAT TRANSFER INC. under this Order.

15. PACKING, MARKING AND SHIPMENT. Seller shall suitably pack, mark, and ship goods in accordance with the instructions of SPX HEAT TRANSFER INC. and the requirements of the carrier transporting such goods and shall assure delivery free of damage and deterioration. SPX HEAT TRANSFER INC. shall not be charged for packing, marking or shipping unless separately itemized on the face of this Order. SPX HEAT TRANSFER INC.'s Purchase Order Number must appear on the container, the packing list, invoice and correspondence relating to the Order. Two copies of the packing list (which provides the quantity and description of the goods contained therein) shall be placed within the container.

16. MISCELLANEOUS.

- a) This Order shall be interpreted and governed by the laws of Kansas,

excluding its conflict of laws, and litigation arising from an Order shall be brought by Seller only in that jurisdiction.

- b) The written consent of an authorized representative of SPX HEAT TRANSFER INC. is required prior to:
 - (i.) any assignment by Seller of the Order or an interest therein or payment hereunder; or
 - (ii.) any subcontract of all or any part of the work called for in the Order.
- c) No failure to enforce a breach of any provision of the Order shall be deemed a waiver or any other breach of such or other provisions.