

## **Shurjoint Products General Terms and Conditions of Sale**

All products or services (collectively the "Products") furnished by Shurjoint Metals Inc. (hereinafter "Seller") shall be in accordance with the following terms and conditions unless set forth in a customer master agreement previously executed by and between Seller and Buyer:

**1. ACCEPTANCE AND COMPLETE AGREEMENT** - Buyer's order is binding only when accepted in writing at the principal office of Seller. The terms and conditions of sale are only those stated below, which shall constitute the complete agreement between the parties and may not be altered or modified except in writing duly executed by each party. The parties agree there are no agreements between the parties, oral or written, with respect to the Products sold hereunder (including any made or implied from past dealings) except as expressed herein. No terms and conditions stated in or attached to Buyer's communications to Seller, including but not limited to Buyer's purchase orders, the terms of which are hereby rejected, are applicable to these terms and conditions in any way and are not to be considered Buyer's exceptions to the provisions of these terms and conditions. Trade custom, trade usage and past performance are superseded by these terms and conditions and shall not be used to interpret these terms and conditions.

**2. DELIVERY** - Delivery dates are estimates only and are not guaranteed. Seller will use every commercially reasonable effort to make shipments as scheduled and may make partial shipments.

**3. EXPORTATION** - The quoted shipping dates are subject to receipt of all export documents and authorizations. Buyer agrees to provide Seller in writing with the ultimate destination and identity of the end-user prior to shipment. Seller reserves the right to choose the freight forwarder, carrier and/or broker.

**4. PRICES** - Prices quoted, unless otherwise stated in writing, do not include sales, use, excise or similar taxes or duties. Buyer shall pay these taxes directly if the law permits or will reimburse Seller if it is required to pay them. Buyer will provide tax exemption certificates or evidence of tax payment on request. Unless otherwise stated, prices are valid for sixty (60) days and for the delivery date specified in the quotation. Revisions to the desired delivery date by the Buyer and delays not due to Seller's negligence may be subject to escalation of prices at Seller's sole discretion.

**5. PAYMENT** - Standard payment terms are net thirty (30) days from date of invoice. In the event credit has not been established Seller reserves the right to require payment, or the issuance of an irrevocable letter of credit, in advance of shipment. Any amounts not paid when due shall bear a late payment in the amount of 1 ½ % per month or at the highest rate permitted by law (whichever is less), from the date of shipment until paid. Seller reserves a purchase money security interest in each Product shipped, which will be satisfied by payment in full. Seller has the right to file a copy of this document as a financing statement.

**6. SOLVENCY** - Buyer's order will be deemed a representation that Buyer is solvent and able to pay for the Products ordered. If Buyer fails to make payments when due or if bankruptcy or insolvency proceedings are instituted by or against Buyer, or if Buyer makes an assignment for the benefit of creditors, Buyer will be deemed to be in default and Seller will have the right to terminate its obligations by written notice to Buyer, but such termination will not affect Buyer's obligation to pay for Products delivered and works in progress.

**7. CANCELLATION** - Orders placed with and accepted by Seller may not be canceled except upon Seller's written consent prior to shipment and Buyer's acceptance of Seller's cancellation charges which shall protect Seller against all costs and losses. Seller reserves the right to cancel any sale hereunder in Seller's sole discretion without liability to Buyer (except for refund of monies already paid).

**8. MINIMUM ORDER** - The Minimum Order Policy is US\$35,000.00 per Order.

**9. MANUFACTURE** - Seller reserves the right to discontinue the manufacture of, or change or modify the design and/or construction of the Products sold pursuant to these terms and conditions, without incurring any obligation to Buyer.

**10. JURISDICTION AND DISPUTES** - These terms and conditions shall be governed in accordance with the law of Taiwan. All disputes under these terms and conditions shall be resolved by the courts of Taiwan and the parties all consent to the jurisdiction of such courts, agree to accept service process by mail, and hereby waive any jurisdiction or venue defenses otherwise available.

**11. INSPECTION** - All Products must be inspected within five (5) calendar days of receipt. If any damage is discovered, a claim must be filed with the carrier. A full report of the damage must be forwarded to Seller so that it can arrange for repair or replacement.

**12. TITLE/SHIPPING** - Unless otherwise provided on the face hereof, all Products furnished hereunder will be shipped "Ex-Works (EX-W)" INCOTERMS 2010 and title in, risk of loss, and the right of possession to such goods shall pass to the Buyer upon the Seller's delivery to carrier at Seller's shipping facility, and Seller is not responsible for damage or loss in transit, regardless of whether or not Buyer may have the right to reject or revoke acceptance of said Products. Seller can arrange for in-transit insurance at Buyer's expense, but will not do so without Buyer's written instructions. Unless otherwise stated in contract documents, all goods will be shipped freight prepaid and billed. Charges for shipping may not reflect net transportation cost paid by the Seller.

**13. WARRANTY** - Unless otherwise stated in a customer master agreement, quotation documents or product literature provided with the Product at the time of sale, Products manufactured by Seller are warranted solely to the original Buyer against defects in material and workmanship, when paid for and properly installed and maintained under normal use and service, for eighteen (18) months from date of shipment or one (1) year from date of installation, whichever occurs first, except SHURJOINT couplings and fittings, for which the warranty period shall be 10 years from the date of shipment. In all cases, this warranty will expire not later than ten (10) years from date of shipment by Seller. Warranty will be immediately voided by substitution of non-Seller provided parts. This warranty specifically excludes a) products or components manufactured by companies not affiliated by ownership with Seller and not bearing Seller's or its affiliates' brand name, b) for Products and components that have been subject to normal wear and tear, misuse, improper installation, corrosion, exposed to incompatible chemicals or materials, or c) that have not been installed, maintained, modified or repaired in accordance with applicable Standards of the National Fire Protection Association and/or the standards of any other Authorities Having Jurisdiction. Materials found by Seller to be defective shall be either repaired or replaced, at Seller's sole option. Seller neither assumes, nor authorizes any person to assume for it, any other obligation in connection with the sale of Products or parts of Products. Seller shall not be responsible for system design errors or inaccurate or incomplete information supplied by Buyer or Buyer's representatives. In no event shall Seller be liable, in contract, tort, strict liability or under any other legal theory, for incidental, indirect, special or consequential damages, including but not limited to lost profits and labor charges, regardless of whether Seller was informed about the possibility of such damages, and in no event shall Seller's liability exceed an amount equal to the sales price. THE FOREGOING WARRANTY IS MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. This limited warranty sets forth the exclusive remedy for claims based on failure of or defect in Products, materials or components, whether the claim is made in contract, tort, strict liability or any other legal theory. This warranty will apply to the full extent permitted by law. The invalidity, in whole or part, of any portion of this warranty will not affect the remainder.

**14. NUCLEAR APPLICATIONS** – Unless otherwise agreed in writing by a duly authorized representative of Seller, Products sold hereunder are not intended for use in connection with any nuclear facility or activity. If so used, the provisions of this Rider for Nuclear Applications will apply. If any Products sold hereunder are used in connection with any nuclear facility or activity, Seller and its suppliers shall have no liability to Buyer or its insurers for any nuclear damage or contamination, and Buyer shall indemnify Seller against any such liability, whether as a result of breach of contract, indemnity, warranty, tort (including Seller's negligence), strict liability or otherwise. The indemnity shall not apply to any damages or bodily injury, or both, arising out of a "nuclear incident", as that term is defined in the Atomic Energy Act of 1954, as amended (the "Act"). In addition, Buyer shall furnish financial protection as required by Section 170 of the Act, including an agreement of indemnification and/or nuclear liability insurance from ANI and MAELU, or both, pursuant to Section 170 of the Act, as applicable. Buyer shall not remove any items of equipment from the plant site or otherwise transfer any interest therein without first providing Seller with written assurance of limitation of and protection against liability (both nuclear and non-nuclear) following the proposed removal or transfer at least equivalent to that afforded to Seller and its suppliers under Sections 15 and 22 of these General Terms and Conditions of Sale. Removal or transfer contrary to this provision shall, in addition to any other legal or equitable rights of Seller, make Buyer the indemnitor of Seller and its suppliers to the same extent that they would have been protected had no such removal or transfer taken place. Any Seller's material or equipment which becomes radioactive at the work site, shall, at Seller's option, be purchased by Buyer. Any nuclear decontamination necessary for Seller's performance (including warranty) shall be performed by Buyer without cost to Seller.

**15. COMPLIANCE WITH LAWS, CODES, AND STANDARDS** - Seller represents that the Products will be produced in compliance with applicable fair labor standards laws, occupational safety and health laws, and laws related to non-segregation and equal employment opportunity. Warranties for design services and the accuracy of any materials list provided by Seller shall be limited only to those codes, standards or specification requirements specifically stated in Seller's quotation documents or transmittal sheets or accepted change order or revisions and only as in effect at the time of quotation or Seller accepted change revisions. The Contract price, delivery and performance dates and any performance guarantees will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change in industry specifications, codes, standards, applicable laws or regulations.

**16. DRAWINGS** - Any drawings submitted herewith are only to show the general style, arrangement, and approximate dimensions of the Products offered. No work is to be based on drawings unless the drawings are certified. In no event will manufacturing or proprietary drawings be supplied.

**17. CONFIDENTIALITY** - Buyer agrees that all drawings, prints and other technical material which Seller provides to Buyer, whether prepared by Seller or by third parties under contract to Seller, contain data which embody trade secrets and confidential know-how of commercial value to Seller or third parties under contract to Seller. Buyer agrees (a) to keep such information confidential; (b) that it will not disclose such information to any other person, corporate division or entity; (c) will not use such information except in connection with the Products supplied hereunder; and (d) will not sell, lease, loan or permit any other person, corporate division or entity to use such information for any purpose, without Seller's prior written consent. Nothing herein shall restrict the use of information generally available to the public.

**18. INTELLECTUAL PROPERTY** – Buyer acknowledges Seller and its affiliates are the owners of brands, trademarks, designs, patents, copyrights and other intellectual property relating to Seller's Products, and that no right or license is conveyed by Seller to Buyer to manufacture, have manufactured, modify, import or copy such Products. Buyer agrees that it will reference brands of Seller or its affiliates only in connection with the use or sale of Products delivered to Buyer hereunder, and not in connection with the sale of any other Product, except as separately authorized by Seller in writing.

**19. PATENT INDEMNITY** - If a Product delivered by Seller to Buyer becomes or, in Seller's opinion, may become the subject of any claim, suit or proceeding for infringement of any patent, Seller may at its option and expense (i) obtain for Buyer the right to use, lease or sell the Product, (ii) replace the Product, (iii) modify the Product, or (iv) remove the Product and refund the purchase price paid by Buyer less a reasonable amount for use, damage or obsolescence. Seller will not be liable for any infringement arising from any modification of a Product, from any combination of a Product with any other product(s), or from the use of a Product in practicing a process or unintended applications. Seller's total liability to Buyer will not, under any circumstances exceed the purchase price paid for the allegedly infringing Product. Buyer agrees, at its expense, to protect and defend Seller against any claim of patent infringement arising from compliance with Buyer's designs, specifications or instructions and to hold Seller harmless from damages, costs and expenses attributable to any such claim.

**20. INDEMNITY** – Buyer agrees to defend, indemnify and hold the Seller (and its agents, representatives, employees, officers, related companies, successors and assigns, and customers) harmless from all claims, demands, actions, damages, and liabilities (including attorney's fees and consequential and incidental damages) arising out of any injury (including death) to any person or damage to any property in any way connected with any act or omission of Buyer, its agents, employees, or subcontractors.

**21. EXCUSABLE DELAYS** - Seller shall not be liable nor in breach or default of its obligations under the Contract to the extent performance of such obligations is delayed or prevented, directly or indirectly, due to causes beyond its reasonable control, including, but not limited to, acts of God, fire, terrorism, war (declared or undeclared), epidemics, material shortages, insurrection, acts or omissions of Buyer or Buyer's suppliers or agents, any act (or omission) by any governmental authority, strikes, labor disputes, transportation shortages, or vendor non-performance. The delivery or performance date shall be extended for a period equal to the time lost by reason of delay, plus such additional time as may be reasonably necessary to overcome the effect of the delay. If Seller is delayed by any acts or omissions of Buyer, or by the prerequisite work of Buyer's other contractors or suppliers, Seller shall be entitled to an equitable price and performance adjustment.

**22. WAIVER** - No failure to exercise and no delay in exercising on the part of Seller any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege hereunder preclude further exercise of the same right, power or privilege.

**23. VALIDITY OF PROVISIONS** - In the event any provision or any part or portion of any provision of these terms and conditions shall be held to be invalid, void or otherwise unenforceable, such holding shall not affect the remaining part or portions of that provision, or any other provision hereof.

**24. ELECTRONIC MEDIA** – Buyer agrees that Seller may scan, image or otherwise convert these terms and conditions into an electronic format of any nature. Buyer agrees that a copy of these terms and conditions produced from such electronic format is legally equivalent to the original for any and all purposes, including litigation.