

TOYO PUMPS NORTH AMERICA CORP.**GENERAL TERMS AND CONDITIONS OF SALE**

1. **SCOPE:** All sales are expressly limited to these terms and conditions, and the rights and liabilities of the parties shall be governed exclusively by the terms and conditions herein. Except to the extent otherwise specifically provided, any contract entered into by TOYO PUMPS NORTH AMERICA CORP. (TPNA) and Buyer shall be governed exclusively by these standard terms and conditions of sale regardless of any statement to the contrary or any other additional terms and conditions which may be contained in any purchase order or other document submitted or issued by Buyer with respect to such contract; and receipt and acceptance, whether under protest or otherwise, of the materials or supplies delivered pursuant to such contract shall be conclusive evidence of Buyer's acceptance of TPNA's terms and conditions as the sole controlling terms and conditions of such contract. Any shipment made by TPNA shall be in reliance upon Buyer's acceptance of TPNA's terms and conditions as aforesaid and may not be interpreted as an acceptance or an offer to contract on the basis of any Buyer's terms and conditions.

2. **QUOTATIONS:** All orders placed by customers against quotations made by TPNA are subject to confirmation and acceptance by TPNA in writing when received. Any quotations made by TPNA are for immediate acceptance unless otherwise stated at the time the quotation is given.

3. **PREVAILING PRICES:** Goods will be invoiced at prices prevailing at the time of shipment of those goods. Prices are subject to change without notice. Shipments made on the basis of quotations which have been accepted will be shipped on the basis of such quotations.

4. **TAXES:** Any taxes which TPNA may be required to pay or collect under any existing or future laws with respect to the sale, purchase, delivery, storage, processing, use or consumption of any other materials covered thereby, including taxes upon or measured by the receipts from the sale thereof, shall be for the account of Buyer who shall promptly pay the amount thereof to TPNA upon demand or in lieu, thereof, furnish TPNA with a tax exemption certificate acceptable to the taxing authorities.

5. **PRIOR SALE:** All quotations for delivery from stock are subject to prior sale.

6. **PAYMENTS:** Our regular terms are net 30 days. At our discretion we will ship C.O.D. if credit information is inadequate or unavailable or if customers payments have been delinquent. Interest will be accrued at a 2% per month on the balance due and owing, but will not exceed the maximum permitted by law.

7. **SHIPPING:** All prices are f.o.b. our point of shipping except where otherwise agreed in writing. Unless shipping instructions accompany each order the manner of shipping is at the discretion of TPNA. TPNA responsibility for goods in transit ceases when they pass into the hands of the carrier.

8. **FORCE MAJEURE:** TPNA has no responsibility for loss or damage occasioned by delay in delivery or inability to deliver, whether such delay or inability is the result of acts by TPNA or its servants or agents or arising from circumstances beyond the control of TPNA such as acts of God, fire accidents, strikes, lockouts, or otherwise.

9. **WARRANTY:** TPNA makes no warranties expressed or implied, other than those expressly set forth herein. a) TPNA warrants its products to be free from defects in material and workmanship for a period of one year from the date of shipment to the original retail customer, provided no alteration has been made thereto after delivery. b) Any part or parts proven defective after inspection by and to the satisfaction of TPNA will be (at TPNA's option) adjusted or repaired or replaced free of charge, on return of such defective part(s) to express authority of TPNA to do so. Buyer shall assume all responsibility and expense for removal, reinstallation and freight in connection with the foregoing. c) TPNA shall not be liable for fair wear and tear, stuffing box failures, damage caused by vibration, failure to properly maintain, operate without flow or adequate submersion, or damage caused by corrosives, abrasives or foreign objects. d) On equipment and materials furnished by TPNA, but manufactured by others, Buyer shall accept in lieu of any liability or guarantees on the part of TPNA, the benefits of guarantees as are obtained by TPNA from such manufacturers or vendors, e) TPNA does not warrant that any item of product(s) is fit for any particular purpose, nor does TPNA warrant design. TPNA shall have no obligation as to any item which has been improperly stored or handled, or which has not been operated or maintained according to good practice or according to instructions in any manuals, nor shall they be liable to the fault, negligence, want of skill, or wrongful acts of Purchaser, of its employees, or of other contractors or suppliers of Purchaser.

10. **LIMITATION OF LIABILITY:** TPNA shall not be liable in any event for bodily harm to any individual, loss by reason of shutdown or non-operation, increased expense of operation of the equipment, loss of power system, cost of purchase or replacement power, or claims of purchaser or customers of purchaser for service interruption, or any special indirect, incidental, or consequential damages arising out of this contract of any breach thereof or any defect in, or failure of, or malfunction of, the apparatus furnished to purchaser or customer of purchaser. The liability of TPNA with respect to the contract or the machinery or equipment shall not, except as expressly provided, exceed the purchase price of the machinery or equipment on which such liability is based.

11. **CANCELLATION OR MODIFICATION:** Buyer may cancel or modify an order or any part thereof only upon written notice to TPNA and upon payment to TPNA of reasonable and proper cancellation or modification charges based on TPNA's expenses involved in handling the order to the date of cancellation or modification.

12. **RETURN OF GOODS:** No credit will be allowed for goods returned unless our prior written permission has been obtained. If accepted, returned goods may be subject to a handling and/or restocking charge.

13. **DAMAGED GOODS:** All our goods are carefully inspected and checked prior to shipment. In case of damaged goods please notify carrier immediately.

14. **BACK ORDERS:** any back ordered items will be shipped as soon as available or as requested by you.

15. **GOVERNING LAW:** All matters relating to the interpretation and effect of these terms and any authorized changes, modifications or amendments thereto shall be governed by the laws of the Province of British Columbia.