

## Mueller Canada, Ltd. Purchase Order Standard Terms and Conditions

**ACCEPTANCE** - Seller, by accepting this order, agrees that it is fully responsible to Buyer to furnish the goods and/or services supplied herein, in accord with these purchase order standard terms and conditions. No changes or modifications will be accepted by Buyer without its written consent. Buyer will not be bound by any provisions, printed or otherwise at variance with this order, that may appear on any acknowledgment form used by Seller, such provisions being hereby expressly rejected. Delivery will constitute acceptance on Buyer's conditions only.

**PRICE** - Unless otherwise specified, the price includes all charges and expenses of Seller, such as packing, boxing, cartage and any and all applicable taxes, including, but not limited to, duty, excise tax, sales and use tax, occupational tax, processing tax and manufacturing tax. Seller agrees to accept in lieu of any tax that may be included in this order, a tax exemption certificate or other evidence acceptable to the applicable governmental authority and to reduce the price stated herein by the amount of such exempt tax. Any discount terms provided herein, will date from the date of delivery at destination or the date of receipt of invoices or date of settlement of disputes or claims, whichever is later.

**WAIVER OF LIENS** - Seller for itself and all persons or corporations doing labor or furnishing materials for Seller in and about the erection and construction of any goods covered herein, hereby expressly waives any and all liens of any kind or nature to which it and/or they are, or may be, entitled under any statute or otherwise. Seller further agrees and covenants to disclose this provision to all persons or corporations doing labor or furnishing materials before any labor or material is furnished and before any other sub-contract is made by Seller.

**PRICE WARRANTY** - The prices indicated on this order are firm and no change or adjustment will be allowed unless authorized in writing by Buyer. Seller represents that the price set forth in this order does not exceed the current selling price for similar materials having the same or similar quality, in like quantity. In the event of such excess price, or in the event prices charged hereunder will exceed prices permitted by any applicable law or regulation or is reduced between the time of order and delivery, Seller agrees to forthwith refund any excess price to Buyer.

**DELIVERY** - Time is of the essence. Deliveries of goods are to be made both in quantities and at terms specified on the face hereof, or on release schedules furnished against the order. Seller will immediately notify Buyer in writing if Seller has reason to believe that any scheduled delivery will be late. Risk of loss for conforming goods will be on Seller until the goods are delivered to and accepted by Buyer. Risk of loss for non-conforming goods will be on Seller at all times. Buyer reserves the right to cancel this order and refuse delivery of goods and return same at Seller's risk and expense if Seller defaults in the manner and time of delivery or in the rate of shipment. In addition, Buyer may reject any shipments made in advance of the date specified for delivery. Buyer further reserves the right to reject and return at Seller's risk and expense all quantities of materials and equipment delivered in excess of the stated order quantity. All costs incurred by Buyer as a result of Seller's failure to make delivery at the time and place specified herein will be charged to Seller. Where installation is required by Seller, Seller will engineer, furnish and install all materials included or reasonably implied by this order or any specification incorporated herein, and delivery will not be considered complete until Buyer has given its final acceptance.

**QUANTITY VARIATIONS** - There will be no variations from the stated order quantity.

**LAWS/REGULATIONS** - Seller represents that the goods and/or services covered by this order are produced, in the case of goods, sold and delivered in accordance with all applicable laws, rules and regulations, as well as any governmental regulation or order referencing maximum or minimum prices.

**GOVERNMENT CONTRACTS** - If the goods and/or services purchased hereunder are to be used in the performance of a government contract or orders then, in addition to all other obligations hereunder, all applicable laws, regulations, provisions and all effective government contract clauses are made a part hereof as fully as if set out herein.

**PRIME CONTRACT** - Seller, in addition to observing the terms and conditions herein, will observe and comply with all of the undertakings and obligations of Buyer set forth in any prime contract or subcontract pursuant to which this purchase order is issued, excepting however such undertakings and obligations as are not applicable to the work required of Seller hereunder. Subject to any security regulations, Buyer will make a copy of the applicable prime contract or subcontract clauses available for inspection by Seller upon written request.

**WARRANTY** - Seller warrants that all goods will conform to the specifications, drawings, samples or other descriptions furnished or adopted by Buyer, will be of good material and workmanship, will be new (unless otherwise specifically agreed in writing by Buyer), will be free from defects, will not infringe on the rights of any third party and are suitable for the use intended by Buyer. All goods ordered are subject to final inspection and approval at Buyer's plant or elsewhere. In the event that any goods prove unsatisfactory on account of inferior quality, workmanship or failure to conform to specifications, drawings, samples or other descriptions mentioned herein, Buyer reserves the right to reject the same at any time, and in the event said rejected goods have been paid for by Buyer, they may be returned and charged back to Seller, in which event Seller will allow a credit to pay the charge back, including but not limited to Buyer's inspection and handling expenses and transportation both ways. Goods are not to be replaced except on written instructions from Buyer. Acceptance of or payment for all or any part of the goods furnished under this order will not be deemed to be a waiver of Buyer's right to cancel or return all or any part thereof because of failure to conform to order or by reason of defects, latent or patent, or other breach of warranties, or to make any claim for damages, including manufacturing costs and loss of profits or other special damages occasioned Buyer. Such rights will be in addition to any other remedies provided by law or in this order. Where goods that are already installed are rejected by Buyer, Seller will immediately replace such goods and cover all costs directly or indirectly associated with replacing same with work or materials satisfactory to Buyer and will repair all damage associated with repair and replacement. All work to be performed by Seller will be performed in a professional, workmanlike manner in accordance with applicable industry standards and with applicable laws.

**COMPLETION OF WORK** - Seller agrees that where installation is required, if its workmen leave the work before its completion for any reason whatever, Buyer may, three days after serving written notice on the Seller, employ any other means of completing the work covered by this contract and deduct all associated costs from the contract price. Seller agrees to reimburse Buyer for said costs in the event the contract price has already been paid or there remains unpaid an insufficient amount to cover Buyer's costs. Unless otherwise noted herein, completion of work includes the furnishing by Seller of all labor, materials, transportation, scaffolding, sheathing, apparatus, ways, works, machinery, water, light, heat, licenses, permits, or similar items reasonably implied by this contract as necessary to complete the work in a safe and acceptable manner.

**INDEMNITY** - Seller agrees (1) to indemnify and hold harmless Buyer, its directors, officers, employees, agents, successors, assigns, customers, users and those for whom it acts as agent (together, the "Indemnified Parties"), from all loss, damage or liability arising out of any alleged or actual breach of terms herein provided or any or actual infringement of third party property rights covering or pertaining to the manufacture, sale or use of any goods furnished in connection with this contract, and (2) to defend (at its expense) all actions covered by this paragraph, provided that the Indemnified Parties will be entitled to participate and be represented (at its expense and through counsel of its choice) in the defense of, or settlement of, such action. For the purpose of this paragraph, the term third party property rights includes, but is not limited to patents, trademarks, copyrights, right in data and trade secrets, and rights protected by the laws of unfair competition. Seller agrees to indemnify and hold the Indemnified Parties harmless from any loss, damage or expense whether to persons or property to which Buyer may be subjected by reason of any act, omission or default on the part of Seller, its agents or its employees arising out of performance of this contract, to assume at its own expense, the defense of any suit or other proceedings brought against the Indemnified Parties by reason of any such act, omission or default, and to pay all expenses and all judgments that may be incurred by or obtained against the Indemnified Parties by reason of such suits or other proceedings.

**INSURANCE** - In the event this contract covers work to be performed on the premises of Buyer or one of its affiliates or goods to be resold by Buyer, Seller will maintain and provide evidence of the following insurance policies (i) statutory workers' compensation coverage in accordance with the laws of the state in which the work is performed, including employer's liability coverage with a limit of \$1,000,000 per accident, each employee, each disease or as required by local law, (ii) commercial general liability coverage, including premises, operations, independent contractors, products, completed operations, personal and advertising injury and contractual liability with a limit of \$5,000,000 per occurrence and in the aggregate and (iii) automobile liability coverage, including coverage for owned, non-owned and hired autos with a limit of \$2,000,000 per each accident. All insurance policies will be endorsed to include Buyer, its directors, officers, agents and affiliates as additional insured(s), be primary and non-contributory, waive rights of subrogation, include severability in interest with no exclusions for cross liability and respond to claims made in the United States or any other country where the goods are sold. Prior to Seller gaining access to Buyer's premises or delivering any such goods, Seller will furnish evidence of the above coverage and confirm that said coverage will remain in full effect until the work has been completed and accepted.

**DEFAULT** - If Seller should (i) be in default of any provision of this contract, and such default is not cured within seven days after receipt of notice from Buyer of said default, (ii) be adjudged bankrupt, or if it makes a general assignment for the benefit of creditors, or a receiver is appointed on account of its insolvency, (iii) persistently or repeatedly refuse or fail to supply the materials and/or services that are the subject of the contract, or enough properly skilled workmen or proper materials deliver said materials and/or services or (iv) fail to make prompt payment to its subcontractors or material men, then Buyer in each case may without prejudice to any other right or remedy and after giving Seller seven days written notice terminate the engagement of Seller and, in the case of services, take possession of the premises and of all materials, tools and appliances thereon and furnish the work by whatever method it deems expedient. In such case, Seller will not be entitled to receive further payments until the work is finished. If the unpaid balance of the contract price will exceed the expense of finishing the work, the excess will be paid to Seller. If the expense will exceed the unpaid balance, Seller will pay the difference to Buyer. All rights and remedies of Buyer set forth in this order are in addition to and not in lieu of any rights or remedies provided by law.

**TERMINATION**. Buyer may terminate this order in whole or in part at any time for any reason. In the case of special orders for goods made in accordance with Buyer's unique specifications, Buyer will be liable only for marginal or variable cost and expense (excluding, without limitation, liability for fixed or period cost, selling, general or administrative expenses, interest or profits) incurred by Seller prior to the date of termination, less full credit for direct materials or tooling reusable by Seller and the full scrap or salvage value for materials or tooling that cannot be reused by Seller. For other goods, Buyer will be liable for the order price only for goods delivered and accepted prior to the termination date. The foregoing represents Seller's sole and exclusive remedy hereunder.

**BUYER'S PROPERTY** - Buyer will retain title to any designs, sketches, drawings, blueprints, patterns, models, tools, dies, jigs, moulds, special appliances and materials (together, "Materials") furnished or paid for by Buyer in connection with this order, and Materials will be deemed as held by Seller on consignment. Materials will be at Seller's risk and will be replaced by Seller if lost, damaged or destroyed. Materials will be maintained in good condition at Seller's expense (ordinary wear and tear excepted) and kept insured by Seller with loss payable to Buyer. Facilities used by Seller for this purpose will be used exclusively in the production for Buyer of goods required by this or any other order of Buyer, and will not be used in the production, manufacture, design or sale of goods for any other person or firm without the prior written consent of Buyer. Materials will be subject to disposition by Buyer at any and all times and upon demand they will be returned to Buyer. Seller agrees to pay on demand for all such Materials spoiled, damaged or otherwise not satisfactorily accounted for at Buyer's cost plus Buyer's other charges applicable thereto such as but not limited to transportation charges. No unauthorized copies are to be made and Seller will not furnish or disclose such blueprints or other data or copies thereof to unauthorized person.

**RIGHTS IN DATA** - Buyer retains ownership of all proprietary data disclosed to Seller by Buyer in connection with this order. Seller will not disclose such proprietary data to others, except where prior to disclosure to Seller by Buyer (1) the proprietary data was already known to the general public or (2) Seller had knowledge of the proprietary data. For these purposes, proprietary data means all designs, engineering and technical information (whether patentable or not) and other information concerning Buyer's trade secrets and such other information includes but is not limited to secrets of manufacturing contained in Buyer's manufacturing methods or processes, treatment and chemical composition, plant layout and roofing, to the extent that such other information is not disclosed by inspection or analysis of the goods covered by this order. Seller represents and warrants that the goods provided hereunder will not infringe or contribute to or induce infringement of any U.S. or foreign patent, trademark or copyright or other intellectual property right.

**CONFLICT MINERALS**. To enable Buyer and its affiliates to comply with the Dodd-Frank Act, Seller hereby represents that the goods supplied by it hereunder (i) do not contain or utilize any conflict minerals (tantalum, tin, tungsten, and gold), (ii) contain conflict minerals that originate other than from a covered country (Democratic Republic of Congo and adjoining countries) or (iii) contain conflict minerals that are from recycled or scrap sources. Supplier agrees to notify Buyer immediately in writing if the status of its supply base changes during the term of this contract such that the foregoing representation is no longer complete and accurate. Supplier agrees to indemnify, hold harmless and defend Buyer to the extent Buyer is liable for fines, penalties, violations or other liability related in any way to Supplier's use of conflict minerals as outlined in this provision.

Adopted for use (August 2014)

**PACKING** - No charges will be made for crating, packaging or packing materials unless agreed to and specified as part of this order. Each shipment must be accompanied by a packing slip showing order number.

**WAIVER** - No waiver of any of the provisions contained in this order will be valid unless made in writing and executed by both parties. No charges beyond the contract price herein specified will be allowed except with Buyer's written consent. Failure of Buyer to insist upon strict performance will not constitute a waiver of any of the provisions of this order or waiver of any other default.

**ASSIGNMENTS AND SUBCONTRACTS** - This order will not be assigned or transferred without written consent of Buyer. Seller agrees that it will not subcontract the furnishings of any of the completed or substantially completed articles required by this order without approval of Buyer. No assignment of monies due or to become due hereunder will be binding upon Buyer until its written consent thereto is obtained.

**FORCE MAJEURE** - This order is subject to modification or cancellation by Buyer in event of fire, act of God, public enemy, earthquake, floods, strikes, labor troubles or other cause beyond Buyer's reasonable control.

**CHANGES** - Buyer may at any time by written change order, make changes in the drawings, designs or specifications, applicable to the supplies or services covered by this purchase order. If any such change affects the cost of manufacturing such supplies or the cost of furnishings such services an equitable adjustment will be made promptly in the purchase price or prices by agreement of the parties. Changes in cost must be brought to the attention of Buyer by written notice within 7 days of the request for change. No change will be made without prior written approval of Buyer.

**APPLICABLE LAW** - This contract will be construed in accord with the laws of the jurisdiction in which this purchase order is issued.