



PURCHASE ORDER TERMS AND CONDITIONS

(last revised March 27, 2013)

1. **All CRANE PSI LINED PIPING SYSTEMS PURCHASE ORDERS** are subject to the terms and conditions herein as well as any additional specifications listed on the purchase order. The recipient of a purchase order is herein called "Seller" and "Buyer" is PSI LINED PIPING SYSTEMS a division of MCC Holdings Inc., A CRANE CO Company.
2. **This Order when accepted in writing by Seller is the entire agreement** of the parties for the purposes hereof. Any manifestation of agreement, however qualified, to ship the products, which term shall include, without limitation, goods, services, work and data, expressly or implied ordered herein or delivered hereunder or any part thereof, shall constitute an unqualified acceptance hereof. No reference to Seller's quotation or Seller's terms and conditions shall imply acceptance thereof by Buyer. By acceptance hereof or if acceptance has not been communicated to Buyer by delivery of the products, Seller agrees that, subject to Buyer's right to reject partial performance hereunder, a contract containing the provisions herein set forth shall arise between the parties hereto with respect to the products. No addition or modification hereof and no waiver or alteration of any provision hereof shall be valid unless made in writing and executed by a duly authorized employee of Buyer.
Failure of Buyer to receive a written acceptance hereof within 10 days after the date hereof shall entitle Buyer, at Buyer's option, at any time prior to actual receipt of such written acceptance or of the products to terminate this Order without cost or liability to Buyer.
3. **NOTICE.** Buyer will not enter into any subcontract or other business relationship relating to United States Government contracts with any individual or business entity listed by a United States Government agency as debarred, suspended or otherwise ineligible for contracting.
4. **CERTIFICATION.** The individual or entity that proposes to provide goods or services to Buyer under this offer/agreement hereby certifies that it is not listed by a United States Government agency as debarred, suspended or otherwise ineligible for contracting.
5. **CHANGES.** Buyer may, by written notice, make changes within the general scope of this order to drawings and specifications, shipping and packing instructions and price of delivery. Should any such change materially increase or decrease the cost of or the time required for performance, an equitable adjustment in the price and/or delivery schedule will be made. Any claims by Seller for such adjustment must be asserted in writing within fifteen (15) days from the date the change is ordered, or within such other period of time as may be agreed upon in writing. Failure to agree on any change for equitable adjustment under this Paragraph shall be deemed a dispute and the Buyer and/or Seller may thereupon pursue any remedy, which it may have in any tribunal of competent jurisdiction. Pending the resolution of any such dispute, the Seller shall diligently perform this order as changed.
6. **WARRANTY.** Seller warrants that all products delivered under this order shall be merchantable and free from defects in workmanship and material, including packaging and shall comply with the terms of this order and all applicable specifications, drawings or samples supplied in connection herewith and to the extent such items are not manufactured pursuant to detailed designs furnished by Buyer, shall be free from defects in design and suitable for the intended purposes. In the event of any such defect, or failure to comply with the terms of this order of such specifications, drawings and samples, Buyer, at its option, may require Seller either (1) to replace the defective items; (2) to correct such defect or failure wholly or in part; or (3) if Buyer directs either no such action or partial action of either type, to comply with any such requirement of Buyer and repay an equitable reduction in the price to Buyer forthwith to the extent it has previously been paid to Seller by Buyer. Such optional right of Buyer shall not be construed to negate, replace or limit, but shall be additional to any rights of buyer arising at common law or by virtue of otherwise applicable laws or regulations. The aforesaid warranties and the foregoing remedies are in addition to all other warranties to which Buyer is entitled by law or otherwise and do not constitute a waiver of any rights of Buyer, expressed or implied. This warranty shall run to Buyer, its customers and users of its products and shall survive inspection and acceptance under Paragraph 5. If any product ordered hereby has heretofore been delivered to Buyer by Seller and has been manufactured or formulated by a different procedure or process of has been changed in any way, whether in form, chemical or other composition or otherwise, Seller warrants that it will forthwith so inform Buyer by separate written notice requiring the written acknowledgement thereof by a responsible official of Buyer.
7. **DOCUMENTATION.** When required, traceability documentation must meet the requirements of EN 10204 type 3.1 documents, the material manufacturer must certify that the delivery complies with the requirement of the specification **and** the order.
8. **INSPECTION.** All products (including raw materials, work in progress and end items) shall be subject to inspection and test by Buyer or its designee at all times prior to shipment by Seller. Final inspection and acceptance shall be at Buyer's premises by Buyer. If any of the goods are found at any time to be defective in material or workmanship (including goods

damaged because of unsatisfactory packaging by Seller), or otherwise not in strict conformity with the requirements of the order, including drawings and specifications and approved samples, if any, Buyer in addition to any other rights and remedies which it may have under warranties or otherwise shall have the absolute right to (a) reject and return such goods at Seller's expense and to receive full credit for any such rejected goods, (b) upon written request, require correction or replacement of any such rejected goods without additional cost to Buyer, or (c) retain and use the goods with an equitable reduction in purchase price. Rejected products returned to Seller shall not be reshipped to Buyer without prior written authorization. Seller shall bear all risks as to rejected products after notice of rejection. Payment shall not be construed as constituting acceptance. Seller shall provide and maintain a quality control system acceptable to Buyer for items covered by this Order. Records of all inspection work by Seller shall be kept complete and available to Buyer during the performance of this Order and until final inspection and acceptance as aforesaid. Buyer's exercise of the right of inspection and Buyer's acceptance hereunder shall not constitute or be deemed to relieve Seller of any duty, obligation, warranty, express or implied herein, or any liabilities arising out of or claimed to have arisen out of or in connection with or by reason of any act or omission or any breach of any provision or provisions herein, by Seller, its agents, employees or assigns.

9. INDEMNITY. Seller hereby agrees to defend and indemnify and to save and hold harmless Buyer, its agents, customers, successors and assigns from and against any and all suits, claims, liabilities, loss, damage, demands, costs and expenses (including reasonable attorneys fees) for any personal injury and property damage arising out of or claimed to have arisen out of or in connection with or by reason of any act or omission or any breach of warranties, expressed or implied, by Seller, its agents, employees or assigns and for actual or alleged infringement of any patent, copyright or trademark, arising out of or claimed to have arisen out of or in connection with the use or sale by Buyer, its agents, customers, successors and assigns, of the goods purchased hereunder, provided, however, Buyer shall notify Seller of any suit, claim or demand involving such infringement and shall permit Seller such opportunity as it is afforded by applicable laws, rules or regulations to participate in the defense thereof. If an injunction is issued as a result of any such infringement, Seller agrees to refund to Buyer the amount paid to Seller hereunder. Seller shall, upon request, provide product liability insurance naming Buyer as an insured, in form and limits acceptable to Buyer.

10. REPRODUCTION RIGHTS; PROPRIETARY INFORMATION. (i) Seller grants to Buyer the right to reproduce, use and disclose in connection with the use, maintenance and service of the products supplied hereunder, all reports, drawings and reproductions thereof, data and technical information delivered to Buyer. (ii) Seller agrees to keep confidential the features of all products, equipment, designs, drawings, engineering data or other technical or proprietary information furnished by Buyer, and to use such items only in the performance hereof, and to return all such items to Buyer upon completion or termination of this order, or sooner, if requested by Buyer. (iii) Seller acknowledges that he may have access to and receive information confidential to the Buyer. Such information may be oral or in writing and could include, but is not limited to, trade secrets, sales and supply lists, technical data. The Seller agrees that he will not release such information to any other person other than authorized by the Seller in writing. Seller acknowledges that Buyer is entitled to take any legal action necessary to enforce and protect its rights.

11. BUYER'S PROPERTY. Property paid for or furnished by Buyer, including, without limitation, tools, jigs, dies, plates, molds, fixtures, material, equipment, drawings, designs and other information and things shall be deemed to be Buyer's property and shall be used exclusively for performance by Seller of this Order. Such property, and whenever practical, each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as property of Buyer, shall be safely stored separate and apart from Seller's property and shall be subject to examination by Buyer. Seller shall maintain such property in proper condition and shall not encumber or dispose of such property. At Seller's expense, Seller shall keep such property insured for Buyer's account against risk of loss or damage while such property is in Seller's possession, in an amount equal to the replacement cost with loss payable to Buyer. Seller will furnish Buyer a copy of the insurance policy on request. Such property shall be subject to removal by Buyer from Seller's plant after completion or termination of this order or of the portion hereof relating to such property, or at any time prior thereto upon the issuance of a change order reimbursing Seller for reasonable costs incurred as a result of such early removal. In the event that Buyer requests removal, Seller shall prepare such property for shipment and shall redeliver the same to Buyer in the same condition as originally received by Seller, reasonable wear and tear expected.

12. PATENT AND OTHER RIGHTS. If the within order is in whole or in part for the development of a product and/or process or for any item as to which Buyer furnishes the specifications, Seller hereby conveys and assigns to Buyer (i) all its right, title and interest in and to any inventions, data and knowledge (whether covering processes, formulae, designs, techniques, assembly, manufacture or otherwise and whether patentable or un-patentable) conceived or first reduced to practice in connection with the work called for under this order, and (ii) a perpetual royalty-free right and license (with right to sublicense) to utilize any patents, inventions, data and knowledge of Seller, or any of its subcontractors hereunder, which are incorporated in or utilized in connection with the product and/or process delivered hereunder. Seller agrees to keep and preserve proper engineering and other records and to make such records available to Buyer upon request. Seller agrees to execute and deliver all such documents and instruments deemed as Buyer may, from time to time hereafter, reasonable require to give effect hereto or to enable Buyer to more fully or conveniently enjoy the rights purchased hereunder. Seller will promptly disclose to Buyer in writing any rights acquired under subparagraph (i) hereof

and will notify Buyer in writing prior to incorporating in the product and/or process called for hereunder anything covered by an existing or pending patent of Seller or any of its subcontractors.

13. **APPLICABLE LAW.** Seller shall comply with all applicable Federal, State and Local Laws, rules and regulations and, on request, shall furnish Buyer with such certificates or other evidence of compliance as may be reasonably available from Seller or cognizant authorities.

14. **TAXES.** Except as otherwise specifically agreed or required by law, Seller will pay or assume all taxes imposed upon, or in connection with the sale of furnishing products, including all federal, state or municipal excise and personal property taxes on any property in the possession of Seller until its delivery to Buyer, including property described in Paragraph 8 above, whether taxable to Buyer or Seller under applicable state or municipal law.

15. **TERMINATION FOR CONVENIENCE.** Buyer may terminate Work under this order in whole or in part at any time by written or telegraphic notice as to undelivered products and unperformed work. In the event of such termination, Buyer and Seller agree that an equitable settlement payment for the terminated portion of this order shall consist of Seller's provable costs to date of termination plus a reasonable profit thereon, less any value to Seller. There shall be no allowance for potential or anticipated profits, overhead costs or otherwise.

16. **TERMINATION FOR DEFAULT.** If the Seller shall become insolvent or make a general assignment for the benefit of creditors, or a receiver or liquidator for Seller is appointed or applied for, or if Seller admits in writing its inability to pay its debts as they become due or if any proceeding under any applicable federal or state bankruptcy or insolvency law is brought by or against Seller, or if, at any time, Seller would default in performance or shall so fail to make progress in the work as to endanger performance hereunder, or if Seller fails to deliver to products herein within the time or quantity specified herein or otherwise defaults in performance hereunder, Buyer may, by written notice to Seller, terminate this order, in whole or in part; provided, however, that if Seller shall be determined not to be in default, then termination by Buyer shall be deemed to be termination for convenience to which provisions of Paragraph 12 above shall apply. In the event of termination for default; (i) Seller shall continue performance of any non-terminated portion of the Order and Buyer may obtain elsewhere the portions of the products affected by the termination, or products similar thereto, and charge the Seller with any cost increase thereby; and (ii) Buyer may, at its option, require Seller to transfer to Buyer all materials, work in progress, completed supplies, tooling, plans and specifications allocable to the terminated portion of the order; Buyer to pay Seller the fair value of such items. Buyer's rights under this Paragraph 13 are in addition to and not in lieu of any other remedies available under this order or provided by law.

17. **SUBCONTRACTING AND/OR ASSIGNMENT BY SELLER.** No contract shall be made by Seller with any other party for furnishing any of the completed or substantially completed products, nor shall Seller sell and/or assigns this purchase order or any part hereof or any monies due or to become due hereunder without the prior written approval of Buyer.

18. **LABOR DISPUTES.** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance or delivery of this order, Seller shall immediately give notice thereof to Buyer. In the event of delay as a result of such dispute for a period greater than ten (10) days, Buyer may, terminate this order in accordance with Paragraph 12 above.

19. **REMEDIES, WAIVER.** The remedies herein set forth shall be cumulative and additional to any other or further remedies provided in law or equity. No failure by Buyer to exercise any of the rights hereunder and no partial or single exercise thereof shall constitute a waiver of such rights. No waiver by Buyer of any obligation or breach of any provision or provisions hereof shall constitute a waiver of any obligation, past or future, hereunder or any other reoccurring breach of this or any other purchase order.

20. **WORK ON BUYER'S OR ITS CUSTOMER'S PREMISES.** If Seller's work under this order involves operations by Seller on the premises of Buyer or one of Buyer's customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to persons or property during the progress of such work, and except to the extent that any such injury is due solely and directly to Buyer's or its customer's negligence, as the case may be, shall defend and indemnify, save and hold harmless Buyer, or its customers, as the case may be, from and against any and all suits, liabilities, demands, costs and expenses (including reasonable attorneys' fees) for injuries to persons, loss of life or damage to property arising out of or claimed to have arisen out of or in connection with or by reason of any act or omission of Seller, its agents, employees or subcontractors, and Seller shall maintain and furnish Buyer with copies of such public liability, property damages and employer's liability compensation insurance and will protect Buyer or customer, as the case may be, from said risks and from any claims under any applicable Workmen's Compensation and Occupational Disease Act.

21. **BILL OF LADING, INVOICES.** Original bills of lading shall be delivered to Buyer, or if shipment is not made by railroad, comparable documents shall be mailed to Buyer at the time of shipment. Seller shall send a separate invoice for each purchase order.

22. **PACKAGES, EXTRA CHARGES.** All packages must bear Buyer's order number. No charges of any kind, including charges for boxing, packaging or cartage, will be allowed unless specifically agreed to by Buyer in writing. Price based on weight shall be determined according to net weight of material unless otherwise agreed in writing by Buyer.

23. **PRICING.** Seller warrants and represents that the prices for the articles sold to Buyer under this order are not less favorable than those currently extended to any other customer for the same or like articles in equal or less quantities. In the event Seller reduces its prices for such articles during the terms of this order, Seller agrees to reduce the prices hereof correspondingly.

24. **TRANSPORTATION.** Transportation charges on products, delivered destination, must be Ex-Works unless otherwise specified in Buyer's Purchase Order. No parcel post insurance charges will be allowed unless authorized in writing by Buyer.

25. **DELIVERY SCHEDULE.** Time and rate of deliveries are of the essence of this order. Unless otherwise agreed to in writing by Buyer, Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet delivery schedule. Goods shipped to Buyer in advance of or later than shipping date specified on delivery schedule may be rejected or returned to Seller at Seller's expense.

26. **QUANTITY.** It is Seller's responsibility to furnish the proper quantity called for in this purchase order. No variations in the quantity specified herein will be accepted as compliance with this order, except by prior written agreement. Buyer reserves the right to return excess shipments at Seller's expense.

27. **PAYMENT.** Payment shall be based upon, and any discount and late payment periods shall begin to run from the later of the dates (i) Buyer receives an acceptable invoice, (ii) Buyer receives acceptable products, or (iii) specified by Buyer for delivery of the products. Buyer shall have the right to offset any claims or amounts due to Seller under this order or otherwise against any claims or amounts owed by Seller to Buyer by reason of this order or otherwise.

28. **TITLE AND RISK OF LOSS.** Seller shall not reserve title or a security interest in goods shipped to Buyer. Seller will deliver the goods as per the INCOTERM in the Purchase Order. Risk of loss shall transfer from Seller to Buyer as per the specified INCOTERM, and the parties agree that the risk that the goods will be lost or damaged in-transit will fall on the Buyer. Notwithstanding the use of the INCOTERM, however, title to the goods will transfer from Seller to Buyer only upon receipt of the Products at Buyer's facility. For items for which Seller has the obligation to assemble or install at destination, the risk of loss or damage shall not pass to Buyer until final acceptance regardless of F.O.B. point.

29. **FAIR LABOR STANDARDS ACT.** By acceptance of this order Seller hereby certifies that the goods covered by this order will be produced in compliance with all applicable requirements of the Fair Labor Standards Act of 1938, as amended, including Section 12(a) thereof, as amended, and of the regulations and orders issued thereunder.

30. **EQUAL EMPLOYMENT OPPORTUNITY.** Unless exempt from the terms of Executive Order 11246 of September 24, 1965, as amended, the Seller agrees that:

(1) Within the one year period beginning on the date of this Purchase Order, the Equal Opportunity clause contained in OFCC Rules and Regulations 60.14(a), paragraphs (1) through (7) and the Affirmative Action for Handicapped Workers clause contained in OFCC Rules and Regulations 60-741.4, paragraphs (a) through (f) shall be considered to be part of every contract, subcontract or purchase order between Seller and Buyer;

(2) Upon receipt of any contract, subcontract or purchase order amounting to \$50,000 or more with Buyer, Seller will file with the appropriate federal agency on or before March 31 of each year or within such other period permitted or required by Executive Order 11246, as amended, complete and accurate reports on Standard Form 100(EEO-1);

(3) Seller has developed and is currently maintaining a written Affirmative Action Program at each of its establishments pursuant to all the terms of the regulations promulgated under Executive Order 11246, as amended and as contained in OFCC Rules and Regulations Section 60-741.5. In accordance with those regulations, the Seller agrees and certifies that if such a program has not been developed, such a program or programs will be developed within one hundred twenty (120) days from the commencement of a contract, subcontract, or purchase order with Buyer in the amount of fifty thousand (\$50,000.00) or more.

31. **NONSEGREGATED FACILITIES.** The Seller certifies to Buyer that it does not maintain or provide for his employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location under its control, where segregated facilities are maintained, Seller certifies further that it will not maintain or provide for his employees any segregated facilities at any of its establishments and that it will not permit its employees to provide their services at any location, under its control where segregated facilities are maintained. The Seller further agrees that a breach of this certification is a violation of the Equal Opportunity paragraph in any of the contracts between Seller and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are, in fact, segregated on the basis of race, creed, color and national origin because of habit, local custom or otherwise.

32. **OCCUPATIONAL SAFETY AND HEALTH ACT.** All items supplied under the terms of this purchase shall be certified by the Seller to be in compliance with the requirements and standards of the Occupational Safety and Health Act of 1970 (Public Law 91-596), as amended, and all regulations and orders promulgated thereunder. In addition, where required, hazardous material data sheets will be supplied on all applicable products. Failure of Buyer to contest a citation resulting from non-compliance of these items will not relieve the Seller of liability under this warranty. Seller warrants that each and every chemical substance delivered under this purchase order shall, at the time of sale, transfer or delivery, be on the list of chemical substances compiled and published by the administrator of the environmental protection agency pursuant to section 8 of the toxic substances control act. (Public Law 94-469).

PSI PURCHASE ORDER TERMS AND CONDITIONS – End of Document -----

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