

GROTH CORPORATION – STANDARD TERMS AND CONDITIONS

Groth Corp. is committed to provide goods and services that meet customer requirements. The following general terms and conditions apply to all products manufactured and supplied by Groth Corporation and can not be modified unless explicitly agreed in writing by an officer of Groth Corporation.

Minimum Order Value: US \$250

- 1) **EXPORT NOTICE** - Customer shall comply with all applicable U.S. export control laws and regulations and not export or re-export any technical data or information, or any product based thereon, that it receives from Groth to any country or entity to which shipment or communication is prohibited by said laws or regulations unless properly authorized to do so by the U.S. Government.
- 2) **Deliveries:** Groth will determine the best method for delivery of products to Customer unless Customer has furnished shipping instructions to Groth prior to the time Groth has completed packaging and shipping. Shipment schedules are based upon production lead-time, material availability, and labor conditions, and are subject to confirmation at the time the order is placed. Groth shall not be liable in any way for failure or delay in making shipments as scheduled. Groth reserves the right to add shipping, packaging, and processing charges on orders to cover its cost. Delivery lead-time does not begin until an agreement has been reached regarding payment terms, drawings approval (if required), and receipt of Customer Purchase Order with full release to manufacture.
- 3) **Standard Terms of Sale:**
 - Domestic order: F.O.B. – Groth Corporation – Stafford -Texas
 - Export order: Ex-Works – Groth Corporation – Stafford -Texas
- 4) **Payment Terms:**
 - Domestic Orders: Groth Corporation's standard payment terms for domestic orders are Net thirty days (N30), from date of invoice (subject to factory credit approval).
 - International Orders: Payment terms for international orders are cash in advance or letter of credit at sight.
 - For projects greater than US \$50,000, progress payments may be required according to the following schedule:
 - 10% upon contract award
 - 40% upon drawing approval and release to manufacturing
 - 50% upon shipment
- 5) **Retention:** Groth Corporation generally does not accept retention clauses on equipment orders. In cases where they are accepted, all retention must have a definitive time limit clearly expressed, and the retention clause must be specifically tied to events that are within Groth Corporation's control. Any events that are out of Groth Corporation's control may not be used as a retention milestone. The acceptance of terms, which include retention clauses require the written approval of the Inside Sales Manager or Customer Account Manager prior to quote presentation and/or order acceptance.
- 6) **Currency:** All quotes generated in the United States are in US dollars.
- 7) **Penalties/Liquidated Damages:** As standard policy, Groth Corporation does not accept incidental or consequential damages under any circumstances. Penalty Clauses can only be accepted under written approval of an officer of Groth Corporation.
- 8) **Changes Against Specifications or Changes to Orders:** Changes on quoted specifications or other changes after the order has been accepted have implications in terms of cost, time, manufacturing and delivery. Groth reserves the right to re-evaluate and adjust pricing and/or delivery accordingly.
- 9) **Prices:** Prices will remain firm for the period of 30 days and if a purchase order is received against the quotation within the 30 day period, prices will remain firm through delivery, provided that the customer does not alter the order. If a proposal expires after 30 days, Groth Corporation reserves the right to re-evaluate pricing prior to order acceptance.
- 10) **Drawing Approval:** During drawing approval process, Groth Corporation reserves the right to adjust the pricing and/or delivery of an order to reflect current manufacturing costs. If the customer does not return approval drawings within 4 weeks after receipt, the order pricing and/or delivery may be adjusted.
- 11) **Expedited Deliveries:** Charges for expedited delivery will be assessed on an order-by-order basis. For orders requiring expedited deliveries as a result of changes made after the order is placed, a minimum expedite charge of 25% of the purchase price will be required.
- 12) **Inspection:** All third party inspection costs are responsibility of the Customer. Orders requiring inspections will include the following additional charges: Visual inspection only at no charge. Witness of Groth standard leak testing is an additional US \$30 per valve unit. Charge for non-standard factory testing will be assessed on an order-by-order basis. Repackaging due to late notification by the Customer of required inspections, \$250 per box.
- 13) **Packaging:** Groth's standard domestic packaging methods are suitable for air and ground transportation. Special export or ocean packaging is available at an extra cost.
- 14) **Order Cancellation:** Customer cancellation of orders (or any portion thereof) will result in the following charges:
The minimum restocking charge is US \$100.

Non-assembled standard products:	5% of purchased price	Assembled standard product:	10% of purchased price
Special products:	100% of purchased price		
- 15) **Returned products:** In the event an item must be returned, an RMA (Return Material Authorization) number must be obtained from Groth Corporation prior to returning the item to the factory. Only products returned within 6 months following shipment will be accepted for credit. Returns must be in new and unused condition and or current design to qualify for credit. Return authorizations are valid for 45 days. Products returned without the proper documentation can be refused and returned to sender. Freight charges associated with the return are the responsibility of the customer.
- 16) **Product Limited Warranty:** Only Groth's Product Limited Warranty terms apply to purchase orders accepted by Groth Corporation.
 - A. Seller warrants that products that are manufactured by Seller are manufactured in accordance with published specifications and free from defects in materials and/or workmanship for a period of (12) twelve months. Seller, at its option, will repair or replace any products returned intact to the factory, transportation charges prepaid, which Seller, upon inspection, determines to be defective in material and/or workmanship. The foregoing shall constitute the sole remedy for any breach of Seller's warranty.
 - B. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, REPRESENTATIONS, OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING PRODUCTS) UNLESS SPECIFIED IN THE SALES CONTRACT. THIS CONTRACT STATES THE ENTIRE OBLIGATION OF SELLER.
Seller makes no warranties, either express or implied, except as provided herein, including without limitation thereof, warranties as to marketability, merchantability, for a particular purpose or use, or against infringement of any patent of products. In no event shall Seller be liable for any direct, incidental or consequential damages of any nature, or losses or expenses resulting from any defective new product or the use of any such product, including any damages for loss of time, inconvenience, or loss of use of any such product.
 - C. The original Manufacturer shall be solely responsible for the design, development, supply, production, and performance of its products hereunder, and the protection of its trade name or names, if any. It assumes no responsibility, for products modified or changed by its agent or customer, or any other third party. Any such modifications or changes to products sold by Seller hereunder shall make the product limited warranty null and void.
 - D. Groth assumes no responsibility for products modified or changed by Customer or any other third party. Any such modifications or changes to products sold by Groth hereunder shall make the product limited warranty null and void. Groth shall be under no obligation to manufacture, sell or supply, or to continue to manufacture, sell, or supply any of the products.