



Peerless Pump Company
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TERMS AND CONDITIONS FOR GOODS PURCHASED BY PEERLESS PUMP

1. **ACCEPTANCE OF CONTRACT** - The parties shall be bound by this order and its terms and conditions when Seller (a) executes and returns the acknowledgment copy of this order, or (b) delivers to Buyer any of the items ordered, or (c) renders for Buyer any of the services ordered herein. No contract shall exist except as hereinabove provided.
2. **AMENDMENTS** - No agreement or understanding to modify this contract shall be binding upon the Buyer unless in writing and signed by Buyer's authorized agent. All specifications, drawings, and data submitted to Seller in connection with this order are hereby incorporated herein and made a part hereof.
3. **CHANGES** - The Buyer reserves the right at any time to make changes in any one or more of the following: (a) Specifications, drawings and data incorporated in this contract where the items clause shall be deemed waived unless asserted in writing within ten (10) days from receipt by Seller of the change. Price increases, or extensions of time for delivery shall not be binding on Buyer unless evidenced in writing signed by Buyer.
4. **DELIVERY** - Time is of the essence of this contract, and if delivery of items or rendering of service is not completed by the time promised, the Buyer reserves the right without liability, in addition to its other rights and remedies, to terminate this contract by notice effective when mailed to Seller, as to stated items not yet shipped or services not yet rendered, and to purchase substitute items or services elsewhere. Any provisions herein for delivery of articles or the rendering of services by installments shall not be construed as making the obligations of Seller severable. Shipments sent C.O.D. without Buyer's written consent will not be accepted and will be at Seller's risk.
5. **INSPECTION** - Materials or equipment purchased hereunder are subject to inspection and approval at the Buyer's destination. Buyer reserves the right to reject and refuse acceptance of items which are not in accordance with the instructions, specifications, drawings and data or Seller's warranty (express or implied). Items not accepted will be returned to Seller at Seller's expense. Payment for any article hereunder shall not be deemed an acceptance thereof.
6. **WARRANTY** - By accepting this order Seller hereby warrants that the items and services to be furnished hereunder will be free from defects in materials and workmanship, merchantable and in full conformity with Buyer's specifications, drawings and data, or Seller's samples, and that items furnished hereunder will be fit for the use intended by Buyer, provided Seller has reason to know of such intended use. Seller agrees that this warranty shall survive acceptance of the items. Said warranties shall be in addition to any warranties of additional scope given to Buyer by Seller. No implied warranties by the Seller are excluded.
7. **PROPERTY FURNISHED TO SELLER BY BUYER** - Unless otherwise agreed in writing, all special dies, moulds, patterns, jigs, fixtures and any other property furnished to the Seller by the Buyer, or specifically paid for by the Buyer, for use in the performance of this contract, shall be and remain the property of the Buyer, shall be subject to removal upon the Buyer's instructions, shall be used only in filling orders from the Buyer and shall be held at the Seller's risk.
8. **PATENTS** - Seller agrees to indemnify and hold harmless the Buyer against all costs and expenses, including attorneys fees, and undertakes and agrees to defend at Seller's own expense, all suits, actions, or proceedings in which Buyer, any of Buyer's distributors or dealers, or the users of any of Buyer's products are made defendants for actual or alleged infringement of any U.S. or foreign letters patent resulting from the use or sale of the items purchased hereunder (except infringement necessarily resulting from adherence to Buyer's specifications or drawings) and further agrees to pay and discharge any and all judgments or decrees which may be rendered in any such suit, action or proceedings against such defendants therein.
9. **PRICE** - Buyer shall not be billed at prices higher than stated on this Purchase Order unless authorized in writing signed by Buyer. Seller represents that the prices charged for the items or services covered by this order comply with applicable government regulations in effect at time of quotation, sale or delivery.
10. **TERMS** - Unless otherwise specified on the face thereof. Buyer shall pay all discountable invoices twice monthly as follows: Invoices dated from the 1st to the 15th inclusive, discounted on the 25th of the month; and invoices dated from the 16th to the end of the month discounted on the 10th day of the month following. Discounts shall be allowed when so paid. All invoices must be dated no earlier than the probable delivery date of the material at the specified site and no earlier than the date of shipment. The discount period shall not commence on orders for tooling until parts from such tooling are received and approved by Buyer.
11. **PAYMENT** - Payment for the goods furnished under this purchase order shall not constitute acceptance thereof. All material shall be received subject to Buyer's inspection and rejection. Terms of payment are stated on the face of this purchase order. Days of payment shall not begin calculating until Buyer receives a properly prepared and correct Supplier invoice. Incomplete invoices shall be returned to Supplier unpaid and unprocessed.
12. **COMPLIANCE WITH LAWS** - In accepting this order Seller represents that it has and will continue during the performance of this order to comply with the provisions of all federal, state and local laws and regulations from which liability may accrue to Buyer from any violation thereof. By acceptance hereof, Seller certifies compliance with the Fair Labor Standards Act of 1938, as amended, and with Executive Order No. 11246 of September 24, 1965 in the performance of this order. The purchased equipment shall meet all "Occupational Safety and Health Act" (O.S.H.A.) standards as applicable.
13. **TERMINATION** - Buyer shall have the right to terminate this order, in whole or in part, by giving written, verbal or telegraphic notice to Seller. Upon receipt of such notice, Seller shall, unless the notice directs otherwise, immediately discontinue the work and the placing of orders for materials, facilities and supplies and shall make every reasonable effort to procure cancellation of all such existing orders or contracts upon terms satisfactory to Buyer. Seller shall thereafter do only such work as may be necessary to preserve and protect work already in progress and to protect material, plant and equipment on such work or in transit thereto. In case of such termination, it is agreed that Seller shall be entitled to prorate compensation for the unpaid portion of the contract already performed, including material for which firm contracts have been made, to which Buyer shall be entitled. The foregoing shall be the sole remedy available to Seller in the event of termination by Buyer.
14. **INDEMNITY** - The Seller agrees to indemnify and save the Buyer harmless against all liabilities, claims or demands for injuries or damages to any person or property arising out of Seller's acts or omissions in the performance of this contract.
15. **EQUAL EMPLOYMENT OPPORTUNITY** - If this order is placed under a United States Government Contract or Subcontract, Paragraphs (1) through (7) of CFR, Section 60 1.4 (a) are incorporated herein by reference, except that the term "Contractor" as used therein shall mean Seller, and "contract" shall mean this order. Seller agrees to insert the provisions of this clause, as needed, in every subcontract or purchase order hereunder unless exempted by rules, regulations (such as CRF - Section 60- 1.5) or orders issued pursuant to Executive Order 11246 of September 24, 1965 or adopted therein.
16. **GENERAL NOTES** - . (a) Any Purchaser document which contains terms in addition to or inconsistent with the terms of the acknowledgment or a rejection of any term of the acknowledgment shall be deemed to be a counter offer to Seller and shall not be binding upon Seller unless specifically accepted in writing by a duly authorized representative of Seller. This clause shall constitute a continuing objection to any such items not specifically so accepted by Seller. (b) All questions relating to the formation of or performance under the contract based hereon shall be determined in accordance with the laws of the State of Indiana. The parties stipulate that the state and federal courts of Marion County, Indiana, or any other court in which Seller initiates proceedings, have exclusive jurisdiction over all matters arising out of this agreement, and that service of process in any such proceeding will be effective if served by Certified mail to Purchaser at 2005 Dr. Martin Luther King Jr. Street, Indianapolis, IN 46202.

CONFIDENTIALITY NOTICE:

This document is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, disclosure or distribution is prohibited. If you are not the intended recipient, please destroy the documents you have received in error.