

EKATO CORPORATION TERMS AND CONDITIONS

1. GENERAL

EKATO Corporation is the "Seller" for all transactions contemplated herein. Any person or entity purchasing or offering to purchase goods from Seller is herein referred to as the "Purchaser". The industrial agitators and related machines, accessories, and attachments, including spare and replacement parts, sold by Seller are herein referred to as the "Products".

2. ACCEPTANCE

2.1 Seller's issuance of an Order Confirmation to or acceptance of a Purchase Order from Purchaser is expressly made conditional upon Purchaser's assent that these Terms and Conditions of Sale and Delivery, along with the Order Confirmation or Purchaser Order, as the case may be, constitute the sole and exclusive agreement (the "Contract") between Seller and Purchaser. Such assent shall be deemed given unless Purchaser notifies Seller in writing of its specific objection to any term or condition contained herein within ten (10) days following the issuance of an Order Confirmation or acceptance of a Purchase Order by Seller.

2.2 Seller's acceptance of Purchaser's order shall not constitute acceptance of printed provisions on Purchaser's order form, or any other form or document supplied by Purchaser, which are different from or additional to these terms and conditions unless specifically accepted in writing by an authorized officer of Seller, and such different or additional terms or conditions are hereby expressly rejected and are rendered null, void and of no effect. The terms and conditions of this Contract may not be modified, amended, waived, superseded, or rescinded, except by a written agreement signed by an authorized officer of Seller.

3. MODIFICATION OF MATERIAL FURNISHED BY SELLER

3.1 All accompanying drawings, specifications, blueprints, measurements, and other material furnished to Purchaser by Seller hereunder are subject to modification by Seller and are not binding in detail unless expressly so stated in writing by Seller.

3.2 All prices listed in any catalogues, folders, circulars, advertisements, price lists or other material furnished to Purchaser by Seller are subject to modifications by Seller and are not binding unless so stated in a separate writing by Seller.

3.3 Seller reserves the right to correct clerical and typographical errors at any time.

3.4 Seller reserves the right to modify, improve, or discontinue Products, or to change specifications, at any time with notice.

4. PRICES

4.1 Price quotes for Products are subject to change at any time prior to Order Confirmation/Acceptance, upon written notice to Purchaser.

4.2 Unless otherwise agreed in writing by the parties, freight, insurance, any installation, or set-up costs incurred in respect of the Products, governmental sales, use, goods and service taxes, and value added or similar taxes which may be assessed against the Products are not included in the price quotation.

5. DELIVERY

5.1 Delivery of the products shall be made as set forth in the Order Confirmation or Purchase Order, as the case may be. The current version of INCO terms shall apply, except as specifically modified hereby.

5.2 Any delivery dates which may be indicated herein or on any other document furnished by Seller to Purchaser are estimates only. They shall not operate to bind Seller to ship or deliver the Products on the dates indicated. Seller reserves the right to make partial shipments of the Products and to submit or submit separate invoices to Purchaser for each such partial shipment. If Purchaser shall default in its obligations in regard to any partial shipment, Seller may suspend any additional partial shipments unless and until Purchaser shall have cured default.

5.3 In the event that Seller fails to comply with designated delivery dates, makes partial shipments, or fails to perform its obligations in accordance with any time limits herein set forth, SELLER SHALL NOT INCUR ANY LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, PRODUCTION DELAYS OR LOSSES OR CLAIMS OF PURCHASER'S CUSTOMERS ARISING OUT OF OR RELATING TO CHANGES IN DELIVERY DATES, PARTIAL SHIPMENTS OR UNTIMELY PERFORMANCE, OR ANY OTHER LOSS OR CLAIM WHICH MAY BE INCURRED BY PURCHASER).

6. TITLE/RISK OF LOSS

Title and risk of loss or damage to the Products sold hereunder, shall pass to Purchaser in accordance with INCO terms and as may be set forth in the Order Confirmation or Purchase Order, as the case may be.

7. GRANT OF SECURITY INTEREST

7.1 Purchaser hereby grants Seller a security interest in any Products and in the proceeds thereof (including sale or insurance) until the entire purchase price for the Products currently or previously sold to Purchaser is paid and until all costs, expenses or other charges required to be paid by Purchaser to Seller have been paid in full. Purchaser agrees to furnish to Seller all information requested by Seller in connection with the creation, perfection, preservation and enforcement of Seller's security interest or charge in the Products, Purchaser

specifically agrees that Seller may file one or more financing statements or other documents necessary or appropriate in order to create, perfect, preserve or enforce Seller's security interest or charge in the Products pursuant to the Uniform Commercial Code, and hereby grants to Seller a power of attorney to execute such statements or documents in Purchaser's name.

- 7.2 Upon any default by Purchaser hereunder, Seller shall have all the rights, remedies and privileges accorded to Seller, as a secured party, under applicable sections of the Uniform Commercial Code and any applicable federal, state, or local laws, Seller's reasonable costs and expenses (including but not limited to, attorney's fees and court costs) for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the Products shall be chargeable to Purchaser. In addition, Purchaser shall remain liable for any deficiency resulting from a sale of the Products to a third party and shall pay any such deficiency forthwith on demand. The requirement of reasonable notice of sale shall be met if such notice is mailed and addressed to Purchaser at least ten (10) days prior to date of sale.

8. PAYMENT

- 8.1 Purchaser shall pay to Seller the invoice price of the Products sold hereunder, in full and without any deduction or set-off of any kind whatsoever, in accordance with the payment terms and in the currency specified on **Seller Order Acknowledgment or acceptance of Purchaser's purchase order.**
- 8.2 Checks and wire transfers shall be accepted in payment for Products purchased hereunder. The invoice price shall not be deemed paid unless and until such instruments have been cleared by the bank on which they were drawn, and the funds are in EKATO's account. All bank charges in respect of said instruments shall be paid by Purchaser immediately following notification to Purchaser of said charges.
- 8.3 If Seller, in its sole discretion, shall determine that the financial condition of Purchaser at any time jeopardizes Purchaser's ability to perform its obligations hereunder or under the Contract, Seller may require cash payments, immediate payment of the entire balance, or additional security satisfactory to it, or all of the foregoing, before further performance by Seller. Purchaser's failure to timely and fully pay any invoice in accordance with the terms shall operate cause to make all other outstanding invoices of Seller to Purchaser to be immediately due and payable and, at the discretion of Seller, shall be grounds for cancellation of any further performance by Seller hereunder or under the Contract. The receipt by Seller of part payment shall not constitute a waiver of any Seller's rights set forth herein or provided by law, including, without limitation, the right to cancel. Interest will be charged daily on past due accounts at a varying rate of two one percentage points per annum above the rate of interest, if any, specified in the terms of payment on **Seller's Invoice.**

9. LIMITATION OF WARRANTY

- 9.1 Seller warrants that the Products shall be free from defects in workmanship and materials under normal use and service for one (1) year from the date of installation of the Product on Purchaser's equipment or for eighteen (18) months after the date of Seller's invoice, whichever is earlier (the "Warranty Period"). If any failure to conform to this warranty is reported to Seller, in writing, within the Warranty Period, Seller, upon being satisfied of the existence of such nonconformity, will correct the same within a reasonable period of time by, as Seller in its discretion shall elect, repairing or causing the repair of the Product by delivering a replacement Product to Purchaser or to the original ultimate purchaser. The warranty set forth in this section shall apply not only to the Products but also to any authorized parts and accessories. This warranty does not cover damage or defects caused by or resulting from repairs, service, or alterations to the Products or any of their parts or accessories which have been performed by unauthorized service centers or repairmen, or damage or defects caused by negligence, accident, abuse, misuse, improper or abnormal usage or maintenance of the Products, their parts, or accessories. Ordinary wear and tear shall not be considered a defect in workmanship or materials.

EXCEPT FOR THE WARRANTY PROVIDED ABOVE, SELLER DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCTS, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER SHALL NOT INCUR ANY LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES (INCLUDING CLAIMS OF LOSS OF PROFITS OR CUSTOMERS' CLAIMS ARISING OUT OF OR RELATING TO CHANGES IN DELIVERY DATES, PARTIAL SHIPMENTS OR UNTIMELY PERFORMANCE) WHICH MAY BE INCURRED BY PURCHASER OR TO THE ORIGINAL ULTIMATE PURCHASER. SELLER DISCLAIMS ANY AND ALL LIABILITY, WHETHER DIRECTLY, INDIRECTLY OR BY WAY OF INDEMNITY, FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT, STRICT OR OTHER PRODUCTS LIABILITY, OR ANY OTHER LEGAL THEORY.

The remedies described above are Purchaser's sole remedies in the event of any breach of the warranty provided above.

- 9.2 In the event that Purchaser or its original ultimate purchaser discovers a defect in the Product, Purchaser shall immediately notify Seller in writing of such defect. If Seller is not provided with said written notification, Seller shall not be liable for any further damage which could have been avoided if Seller had been provided with immediate written notification.
- 9.3 Seller's liability under the foregoing shall inure only to the benefit of Purchaser and its original ultimate purchaser and may not be transferred to any other person or legal entity. In the event that Purchaser or its original purchaser purports to transfer the foregoing warranty to any other person or legal entity, Seller's liability thereunder shall cease and be of no further force or effect.
- 9.4 No products shall be returned to Seller without Seller's prior written consent. Products which Seller consents to have returned shall be shipped by Purchaser or its original ultimate purchaser to Seller at Purchaser's or its original ultimate purchaser's risk and expense, freight prepaid to Seller's warehouse or such location as Seller may designate.

- 9.5 In the event that Products are altered or repaired by Purchaser or its original ultimate purchaser without the prior written approval of the Seller, all warranties hereunder shall be null, void and of no effect. In addition, Seller shall not be liable or accept invoices for repairs to Purchaser sold by Seller which are not authorized in writing by Seller.
- 9.6 In extremely urgent situations, Purchaser or its original ultimate purchaser shall have the right to eliminate or cause to be eliminated a particular defect in a Product at Seller's expense, provided, however, that the labor, parts, and other costs incurred in connection with the elimination of such defect shall be customary for similar services provided in the locality wherein the Product is located.
- 9.7 The parties hereto expressly agree that the warranty set forth in this Article 9 shall be null and void with respect to Product defects which are caused by: (i) improper installation of the Products; (ii) faulty or negligent operation of the Products; (iii) poor care or maintenance of the Products; (iv) normal wear and tear or excessive use of the Products; (v) the use of accessory parts, equipment or machinery which are not approved by Seller in connection with the use or operation of the Products; (vi) alterations, repairs or other modifications made to the Products without the Seller's prior written consent, except as otherwise provided in Paragraph 9.6 hereof; or (vii) failure to strictly conform to Seller's specifications in collection with the installation, operation, use, maintenance or repair of the Products.
- 9.8 The total liability of the supplier for this order is limited to an amount equal to the contract price. Under no circumstances whatsoever shall either party be liable to the other for any consequential or indirect damages or financial loss such as deferment of profit, loss of revenue, property damages, loss of use, loss of production, or business interruption or for any financial or consequential or indirect loss or damage, provided such liability does not arise out of tort or gross negligent action.

10. PATENTS

- 10.1 Seller shall defend any suit or proceeding brought against Purchaser if based on a claim that any of the Products constitute an infringement of any patent of any person or entity in any country, if notified promptly in writing. Seller shall have exclusive authority to evaluate, defend and/or settle such claim and Purchaser shall cooperate with Seller in evaluating, defending and/or settling such.
- 10.2 In case the Products are, in such suit, held to constitute infringement and their use is enjoined, Seller shall, at its own expense and solely at its option, either: (i) settle such claim, or (ii) defend such claim, or (iii) obtain for Purchaser the right to use such Product, or (iv) replace such Product with a non-infringing Product or modify such Product to eliminate infringement, or (v) remove such Product and refund the purchase price and the transportation costs thereof, less a reasonable amount for depreciation. The foregoing sets forth Seller's entire liability for patent infringement with respect to the Products. Seller shall have no liability for patent infringement based on the use by Purchaser of the Products as components of a larger machine or apparatus or any use of the Products which is not in accordance with Seller's specifications. Moreover, Seller shall have no liability whatsoever for patent infringement as to any Products made to the specifications or design of Purchaser and Purchaser shall indemnify and hold Seller harmless from and against any and all costs, losses, expenses, damages, claims, liabilities or fines, including but not limited to, attorneys' fees and court costs resulting from or arising in connection with patent infringement claims brought against Seller as a result of Purchaser's use of the Products as components of a larger machine or apparatus or any use of the Products not in accordance with Seller's specifications or Products made to the specifications or design of purchaser.

11. INDEMNIFICATION/INSURANCE

- 11.1 Purchaser agrees to defend and indemnify Seller and hold Seller harmless from and against any and all costs, losses, expenses, damages, claims, liabilities or fines, including, but not limited to, attorneys' fees and court costs, resulting from or arising in connection with any and all actual or alleged injuries to or deaths of persons and any and all damage to, or destruction of, property arising directly or indirectly from or relating to the Products sold pursuant to this Contract except for such costs, losses, expenses, damages, claims, liabilities or fines which are caused by or result from Seller's willful misconduct or gross negligence.
- 11.2 Purchaser shall maintain comprehensive general liability insurance, including product liability insurance, property damage insurance, public liability insurance, completed operations insurance and contractual liability insurance, which shall designate Seller as an additional named insured, and have such coverage and limits and shall be issued by such company as Seller shall deem reasonably adequate for its protection. In confirmation of such insurance coverage, Purchaser shall, within ten (10) days following Seller's request thereof, furnish to Seller certificates of insurance, issued by the applicable insurers, confirming the coverages, limits, and expiration dates of the respective policies of insurance. All such insurance policies shall provide that written notice of cancellation, change or modification in the coverages, limits or expiration dates of such policies shall be given to Seller at least thirty (30) days prior to the effective date of such cancellation, change or modification.

12. CONFIDENTIALITY

Purchaser agrees that all specifications, drawings, data, and other technical information furnished by Seller to Purchaser constitute the property of Seller, are furnished solely for the purpose of Seller's performance under the Contract and may not be copied or made accessible to third parties without Seller's prior written consent. Purchaser shall promptly return such specifications, drawings, data and other technical information and all copies thereof to Seller upon Seller's request. Such request may be made at any time prior to after delivery of the Products. The obligations of Purchaser herein above set forth shall survive cancellation or completion of the Contract.

13. CANCELLATION

- 13.1 The Contract is not subject to cancellation by Purchaser, other than in accordance with the terms of Paragraph 14.2 hereof.

- 13.2 In the event that Purchaser purports to cancel the Contract in contravention of the terms of Paragraph 13.1 hereof in respect of any Products which have been ordered and/or sold hereunder, Seller, in addition to all other remedies available to it under applicable law, shall be entitled to be reimbursed by Purchaser for all direct costs of labor, raw materials and parts purchased or contracted to be purchased and overhead costs incurred by Seller in connection with the manufacture of said Products. Purchaser agrees that Seller's calculation of the costs of labor, raw materials and parts and overhead shall be accepted by the parties hereto. In addition, Seller shall have the right to complete and sell to a third party any Products, including but not limited to, specially manufactured Products, the order for which has been purportedly cancelled by Purchaser, without any further obligation or liability whatsoever to Purchaser.

14. FORCE MAJEURE

- 14.1 The term "Force Majeure" is hereby defined as any cause not within the reasonable control of the party affected. Events of Force Majeure shall include, without limitation, acts of God, strikes, lockouts, work stoppages or other labor or industrial disturbances, wars, blockades, quarantine restrictions, embargoes, insurrections, riots, epidemics, lightning, earthquakes, fires, storms, floods, civil disturbances, explosions, partial or entire failure of production facilities, inability to obtain transportation, shortages of raw materials, governmental laws, ordinances, rules and regulations and temporary failure of electric power.
- 14.2 The occurrence of Force Majeure shall not excuse either party from the performance of its obligations or duties under the Contract but shall merely suspend such performance during the continuance of Force Majeure. The party prevented from performing its obligations or duties because of Force Majeure shall promptly notify the other party hereto of the occurrence and particulars of such Force Majeure and shall provide the other party, from time to time, with its best estimate of the duration of such Force Majeure and with notice of the termination thereof. Upon termination of Force Majeure the performance of any suspended obligation or duty shall promptly recommence. If, however, Force Majeure shall prevent performance of either party for a period in excess of six (6) consecutive months, then so long as such Force Majeure shall continue, either party shall have the right to deliver notice of termination of the Contract to the other party, and the Contract shall terminate automatically ninety (90) days thereafter. Neither party shall be liable to the other party for any direct, indirect, consequential, incidental, or special damages arising out of or relating to the suspension or termination of any of its obligations or duties under the Contract by reason of the occurrence of Force Majeure.

15. DELIVERY OF TRIAL PRODUCTS

In the event that Seller furnishes Purchaser with any Products on a trial basis, Purchaser shall return such Products to Seller, at Purchaser's sole cost and expense, freight prepaid, unless otherwise agreed, not later than sixty (60) days following receipt of such Products by Purchaser, unless Purchaser agrees to buy them, Purchaser shall bear all risk of loss or damage to such Products until such Products are returned to Seller's warehouse or such other location as Seller has designated.

16. MISCELLANEOUS

- 16.1 The invalidity or unenforceability of any one or more of the terms and conditions of this Contract shall not affect the validity or enforceability of the remaining provisions hereof, and such remaining provisions shall remain in full force and effect.
- 16.2 The failure or omission of either party hereto to insist, in any instance, upon strict performance by the other party of any term or condition of this Contract or to exercise any of its rights hereunder shall not be deemed to be a modification of any term hereof or a waiver or relinquishment of the future performance of any such term or condition by such party, nor shall such failure or omission constitute a waiver of the right of such party to insist upon future performance by the other party of any such term or condition.
- 16.3 Any controversy of claim arising out of or relating to the terms and conditions of this Contract, or the breach thereof, shall be settled by arbitration in New York City, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association by three (3) arbitrators appointed in accordance with said rules.
- 16.4 This Contract shall be governed by, and construed in accordance with, the law of the State of New Jersey.

SELLER DISCLAIMS ANY AND ALL LIABILITY WHETHER DIRECTLY OR BY WAY OF INDEMNITY, FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT, STRICT OR PRODUCTS LIABILITY, INFRINGEMENTS OR PATENTS, TRADE SECRETS, TRADEMARKS, COPYRIGHTS OR OTHER PROPRIETARY RIGHTS, OR ANY OTHER LEGAL THEORY IN CONNECTION WITH THE PURCHASE OR USE OF THE PRODUCTS.