

**FAIRMONT SUPPLY COMPANY
AND AFFILIATES**

TERMS AND CONDITIONS OF PURCHASE

1. **GOVERNING PROVISIONS.** This document is an offer by Fairmont Supply Company or an affiliate of Fairmont Supply Company, including, but not limited to, Piping and Equipment, Inc. (sometimes referred to as P&E), Industrial Distribution Acquisition Sub, LLC (sometimes referred to as IDAS) or Industrial Distribution Acquisition Sub II, LLC (sometimes referred to as IDAS II) (Fairmont Supply Company or any such affiliate referred to herein as “**Buyer**”) to purchase goods from seller (“**Seller**”), not a confirmation or acceptance of any offer to sell; and acceptance of this offer is expressly made conditional on assent to these terms and conditions and the other provisions contained in this document. Buyer hereby objects to any additional or different terms contained in any of Seller’s quotation, acknowledgement, invoice or other forms, or in any other correspondence from Seller. These terms and conditions and any terms on the face of, or in any attachments to this document, collectively constitute the entire agreement between the parties on the subject of any purchase(s) by Buyer from Seller, superseding all prior written and oral communications and negotiations (hereinafter, the “**Agreement**”). **EACH SALE BY SELLER TO BUYER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL NOT BE GOVERNED BY THE PROVISIONS OF THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.** Seller hereby consents to the exclusive jurisdiction of the courts in Washington County, Pennsylvania, for any legal or equitable action or proceeding arising out of, or in connection with, this Agreement. Seller specifically waives all objections to venue in such courts.

2. **CHANGES IN ORDERS.** Buyer reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) time of delivery. If any such change causes an increase or decrease in the cost of or the time required for performance of an order, an equitable adjustment will be made in the price or delivery schedule, or both, or Buyer may, at its option, cancel the order pursuant to paragraph 10 hereof if agreement on an equitable adjustment cannot be reached. Any claim by Seller for adjustment under this paragraph will be deemed waived unless asserted in writing within twenty (20) days from receipt by Seller of the change order. Price increases or extensions of time for delivery will not be binding on Buyer unless evidenced by a purchase order change notice issued and signed by Buyer. No substitutions, changes or modifications of the goods will be made except upon Buyer’s written authority.

3. **DELIVERY, DELAY AND ANTICIPATION.** Seller will deliver the goods in the quantities and within the time (which is of the essence), in accordance with the specifications, drawings or approved samples, and at the prices in the Agreement. Failure by Seller to comply with such requirements will entitle Buyer, in addition to any other legal rights or remedies, to cancel any order and be relieved of all liability for any undelivered portion. In the event that, for reasons which are unforeseeable and beyond Buyer’s reasonable control, shipment is delayed beyond the last date on which shipment by the method contemplated herein would result in delivery guaranteed on or before the required delivery date herein, Seller will make shipment by the most expeditious available method of transportation, and any additional cost of such shipment will be borne by Seller. If shipment is delayed for any cause, Seller must report the same to Buyer promptly. Failure of Buyer to insist upon strict performance will not constitute a waiver of any of the provisions of any order or waiver of any default. Seller will not unreasonably anticipate delivery by purchasing materials or manufacturing quantities in excess of what is reasonably required to meet Buyer’s delivery schedule. Items received in advance of Buyer’s delivery schedule may, at Buyer’s option, be returned at Seller’s expense or be accepted and payment withheld until after the scheduled delivery date.

4. **SHIPPING, PACKING AND RISK OF LOSS.** The domestic shipping terms for all goods purchased hereunder are F.O.B. destination; for international shipments, delivery will be DDP destination, as that term is defined in *Incoterms 2010*. Buyer will have the right to route all shipments. All goods will be suitably packed, marked with Buyer’s purchase order number and shipped in accordance with shipping instructions specified herein and otherwise in accordance with the requirements of common carriers. Packing slips must be included with all shipments showing order number, part number and quantity; and the last copy must state “Order Completed”. The order number must be shown on each item, packing slip and invoice. No charge shall be made to Buyer for boxing, packing, crating or carting unless separately itemized on the face hereof. Regardless of shipping terms, all risk that the ordered goods may be lost, damaged or delayed in transit will be upon Seller until conforming goods have been actually received, inspected and accepted by Buyer. Seller will be liable to Buyer

for any loss or damage resulting from Seller’s failure to act so as to provide adequate protection during shipment. Additional expenses, charges or claims incurred as a result of deviation from the specified route, noncompliance with other shipping instructions, or improper description of the shipment in shipping documents will be the responsibility of Seller.

5. **INSPECTION, ACCEPTANCE AND REJECTION.** All goods purchased hereunder (and work-in-progress relating thereto) will be subject to inspection and testing by Buyer at any reasonable time and from time to time before, during or after production and delivery. If any inspection or test is to be made on the premises of Seller, Seller without additional charge will provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. Notwithstanding prior inspections, all goods are subject to final inspection and approval at Buyer’s plant or other place designated by Buyer and, notwithstanding any payment that may be made, no goods are deemed accepted until such final inspection and approval. Buyer’s inspection before, during or after manufacture and delivery will not constitute a waiver of the right of subsequent rejection by reason of any undiscovered or latent defect. Buyer may return rejected goods at Seller’s expense. Seller will not replace goods returned as defective unless so directed by Buyer in writing.

6. **WARRANTIES.** Seller warrants that the goods to be furnished hereunder (a) will not infringe the proprietary rights of any third party; (b) will be free and clear of all liens and encumbrances, good and merchantable title thereto being in Seller; (c) will be free from any defects in design, material or workmanship (latent or otherwise) and of good and merchantable quality; (d) will not be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act or within the meaning of any state statutes which have adulteration and misbranding provisions to those found in that Act, nor articles which may not be introduced into interstate or intrastate commerce under such Act or any of such state statutes; (e) will be new, not used, refurbished or reconstituted; (f) will conform to Buyer’s specifications or the sample approved by Buyer, and with representations with respect thereto previously made by Seller, to the extent any of the foregoing are applicable, as the case may be, and be fit for the use intended by Buyer; and (g) will comply and have been produced, processed, packaged, labeled, delivered and sold in conformity with all applicable federal, state or other laws, administrative regulations and orders, including the Occupational Safety and Health Act of 1971 as amended from time to time. The foregoing warranties shall survive inspection, delivery and payment, and shall run in favor of Buyer, its successors and assigns and its customers, whether direct or indirect. Seller will determine the particular purposes for which all goods purchased by Buyer are required, and will utilize its skill and judgment to select and furnish suitable goods; Seller acknowledges that Buyer is relying on Seller to do so.

If any such goods are found to be unsatisfactory, defective or inferior in quality, or not to conform to Buyer’s specifications or any other requirements hereof (including Seller’s warranties), Buyer may, at its option and in addition to its other remedies, retain such goods at an adjusted price, hold such goods at Seller’s risk and expense pending Seller’s specific instructions, or return them to Seller for replacement, credit or refund, as Buyer directs. In that event, Buyer will also have the right to cancel any unshipped portions of the affected and any related order. Buyer will be reimbursed by Seller for all of its costs and expenses in connection with the storage, handling, packing and/or transporting of any such defective or otherwise nonconforming goods, and Seller assumes all risk of loss or damage in transit to goods returned by Buyer pursuant hereto.

7. **INDEMNIFICATION.** In accepting this order, Seller agrees to indemnify and defend (at Buyer’s option) Buyer, its shareholders, directors, officers, successors, assigns and customers, and hold each of them harmless, from and against all claims, liabilities, losses, damages and expenses (including attorneys’ fees and other costs of defending any action), which they or any of them may sustain or incur as a result of any claim of negligence, breach of warranty, personal injury or death, infringement, strict liability in tort or based on any other theory of law in connection with the goods/services furnished by Seller hereunder, or as a result of any claim that the goods furnished by Seller fail to conform to or comply with any federal, state or local laws, regulations or standards including, without limitation, Prop 65 (as defined below).

8. **BUYER’S DAMAGES.** Seller will be responsible for any and all losses, liabilities, damages and expenses, including incidental and consequential damages, and including attorneys’ fees and other costs of prosecuting an action for breach, which Buyer may sustain or incur as a result of any breach of the Agreement.

9. **EQUAL EMPLOYMENT OPPORTUNITY.** Seller and Buyer hereby incorporate by reference the requirements of 41 C.F.R. §§ 60-1.4(a), 60-300.5(a), 60-741.5(a) and

29 C.F.R. Part 471, Appendix A to Subpart A, if applicable. Seller shall abide by the requirements of 41 C.F.R. §§ 60-1.4(a), 60-300.5(a), 60-741.5(a) and 29 C.F.R. Part 471, Appendix A to Subpart A. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, national origin, gender identity or sexual orientation. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, gender identity or expression, sexual orientation, protected veteran status or disability.

10. CANCELLATION BY BUYER. Buyer will have the right to cancel any order without cause, and Buyer's liability for such cancellation will be limited to Seller's out-of-pocket cost for work and materials applicable solely to the cancelled order which have been expended when notice of cancellation was received by Seller, reduced by the fair market resale value of such work-in-process. Buyer may, at its option, cancel any order without liability to Seller (except for conforming shipments previously accepted by Buyer) in the event Seller ceases to exist or becomes insolvent or the subject of bankruptcy, receivership or insolvency proceedings or shall commit a material breach in the performance of any part of its obligation hereunder.

11. NON-ASSIGNABILITY BY SELLER. Seller shall not assign the Agreement in whole or in part without the prior written consent of Buyer, but this provision shall not restrict Seller in the procurement of component parts and materials. If any order is terminated for Buyer's convenience, Buyer's liability to Seller with respect to such parts will not exceed the amount for which Seller would be liable to its supplier or suppliers if such liability were determined on the basis of paragraph 10 hereof.

12. FORCE MAJEURE. Buyer shall not be liable for any damage as a result of any delay or failure to accept delivery due to any act of God, act of Seller, embargo or other governmental act, regulation or request, fire, accident, strike, slowdown or other labor difficulties, war, riot, delay in transportation, defaults of common carriers, inability to obtain necessary labor, materials, or manufacturing facilities or, without limiting the foregoing, any other delays beyond Buyer's control which shall affect the Buyer's ability to receive and use the goods. In the event of such delay, the date of delivery shall be extended for a period equal to the time lost because of the delay. Seller will allocate any limited supply of the goods covered by the Agreement to the fulfillment of its obligations under the Agreement before allocating any of such supply to its other customers or to Seller's use in its own operations.

13. REMEDIES CUMULATIVE. The rights and remedies of Buyer set forth herein will be in addition to any rights or remedies that Buyer may otherwise have.

14. ANTITRUST ASSIGNMENT. Buyer and Seller recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the buyer. Therefore, Seller hereby assigns to Buyer any and all claims for such overcharges as to goods purchased in connection with the Agreement.

15. FAIR LABOR STANDARDS CERTIFICATE. Seller hereby certifies that all goods furnished to Buyer shall have been produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof, and in accordance with all applicable state and federal laws and regulations governing general conditions for labor employed in the production of such goods.

16. CONFLICT MINERALS POLICY. Seller represents and warrants that it has reviewed the Fairmont Supply Company and Affiliates Conflict Minerals Policy available at <https://www.fairmontsupply.com/Conflict-Minerals-Policy>, and that Seller will, at all times, comply with such policy.

17. PROP 65 COMPLIANCE. Seller hereby certifies that all goods furnished to Buyer will be labeled in accordance with the State of California's Safe Drinking Water and Toxic Enforcement Act of 1986 – also known as "Prop 65." Seller will provide to Buyer all required notices under Prop 65, and will provide Buyer with any information necessary for Buyer to comply with Prop 65, including any required warnings related to internet or catalog sales of Seller's products.