



TAYLOR VALVE TECHNOLOGY'S WARRANTY & CANCELLATION POLICY

Taylor Valve (Seller) warrants to the original Buyer only that all products delivered hereunder shall be free from defects in design and manufacture for a period of 24 months after delivery of 12 months after start-up, whichever is earlier, provided that such products are installed, used, operate, adjusted and service only in a proper and appropriated manner and in strict accordance with any instruction relating thereto furnished to Buyer by Seller. In no event, shall the foregoing warranty extent to any products in any way caused or allowed to be, or installed, operated or used in such a manner as to be subject to or exposed to condition of misuse, abuse, or accident.

The Foregoing warranty is excluding and in lieu of any and all other warranties, expressed or implied. No warranty of merchantability, no implied warranty of fitness of any particular purpose, and no implied warranty arising by usage of trade, course of dealing or course of performance is given by Seller or shall arise by or in connection with this sale and/or the Seller's and/or the Buyers conduct in relation thereto or to each other, and in no even shall Seller be liable on any such warranty with respect to any product.

Liability of the Seller under or in connection with this sale and/or foregoing warranty shall be limited, at the sole option of the Seller, to one of repair of, replacement of any products or part thereof (A) with respect to which Seller receives, promptly after Buyer's discovery of any alleged defect and prior to the expiration of the one-year warranty period as provided above, noticed from buyer of Buyer's claim of defect, and (B) which shall be returned to Seller by Buyer, as provided herein, promptly after Buyer's discovery of such alleged defect and which shall be determined by the Seller to have proven defect within the one year warranty period provided above, a failure by Buyer so to notify Seller and return such products to Seller after Buyer's discovery of such alleged defect shall constitute a waiver by Buyer of any and all claims of any kind with respect thereto. Any products returned by Buyer to Seller under the foregoing terms shall be returned to Seller's place of business freight prepaid, Accompanied or preceded by Buyer's particularized statement of the claimed defect. The risk of loss and freight charges to and from Seller in connection with any returned products shall be borne by the Buyer, but Seller shall bear such additional freight charges arising in connection with any such returned products ultimately determined by Seller to be defective under the terms of the foregoing warranty, the cost of repair or replacement (if any) of such products, and the risk of loss or damage while such products are in the Seller's possession at its place of business. The foregoing remedy shall constitute the sole and exclusive remedy of the Buyer under or in connection with the sale and/or warranty of the Seller. Except as specifically provided herein, Seller shall not be responsible or liable for any costs, expenses or damages of Buyer in connection with any removal, repair, or replacement (including any attempts or actions relating thereto) of any allegedly defective products and no charge of setoff of any kind of Buyer relating hereto shall be made against the Seller without prior and specific written approval of Seller.

In no event, shall Seller be responsible or liable for any special, indirect, incidental or consequential damages arising in any way in connection with any products or this sale.

The agreement of Seller to sell its products is expressly conditioned up the Buyer's assent to, and Seller agrees to sell this product only upon, all terms and conditions set forth above and on the face, hereof. Buyer's acceptance of any products provided under this sale shall constitute such assent.

Expediting:

Buyers have expediting option in the event Buyer needs equipment sooner than standard given lead time of an order. The Buyer initiate expediting service to the Seller's customer service representative prior to or during the manufacturing process of an established order. If expediting is still possible, the customer service representative will initiate a 30% expediting fee. This will be a percentage of the total unit expedited.



Returned Good Authorization Policy

Purpose:

To review and, when appropriate, to authorize, the return of goods sold by Taylor Valve (Seller).

Scope:

-All products sold by Taylor Valve

- Items manufactured elsewhere and sold by Taylor Valve may be subject to vendor's returned goods policy.

Procedure:

1. Requests to return goods will be made by the customer and directed to Inside Sales by outside Sales Representatives, Sales Management, or by the customer directly
2. When requests are received, Inside Sales will obtain as much information as possible regarding product description, quantity, conditions and circumstances surrounding the request.
3. Inside Sales will review the request with the Sales Manager. If return of good is appropriated, the Returned Material Authorization (RMA) form will be completed
 - a. A restocking charge will be assigned as at 45% of original invoice amount
 - b. Unless otherwise approved, goods will be returned to F.O.B. point at customer's expense
4. The completed RMA form will be submitted to Materials Review Board for approval.
5. If approved, Inside Sales will forward copies to:
 - a. Customer
 - b. Receiving
 - c. Inspection
 - d. Credit manager
 - e. Field Salesman Regional Office (if appropriate)
6. Upon Receipt of RMA from copies, Receiving and Inspection will have been notified of returned goods pending delivery.
7. When the returned goods arrive. Receiving will contact the Inside Sales and advise them that the goods are being processed into inspection. No returned goods will be accepted that do not correspond to an approved RMA.
8. When Receiving and inspection have been completed processing the goods, they will notify Inside Sales as to the description, conditions and advise disposition of the equipment. A Materials Received report will be issued to Inside Sales by Inventory.
9. Inside Sales will review this information with the Inside Sales Manager. Disposition of the goods will be determined in conference with appropriated manufacturing department and Management.
10. If at the Material Review Board, disposition is contrary to that indicated on the RMA, the Inside Sales Manager will be notified and consulted by the Material Review Board prior to disposition of the goods.
11. Final disposition will be indicated on the remaining copies of the RMA form and it will be distributed by Inside Sales to
 - a. Production Control
 - b. Accounting
 - c. Customer Service RMA
 - d. Customer File
 - e. Quality Assurance
 - f. Regional Sales Office (if appropriate)



Taylor Valve Technology

Unique. Precise. Quality. Reliable.

Cancellation:

All orders shall be subject to cancellation fees after the purchase order has been accepted and entered by Taylor Valve Technology. These fees shall be reflective of the following:

1. Document Preparation: PO's that are considered a project which requires document preparation and submittal for approval.
2. Engineering: Any time required for design calculations and drawing completion.
3. Purchasing: Any materials purchased specifically for the cancelled Purchase Order. This would include restocking fees and any associated freight costs.
4. Machining: Any machining time associated with the cancelled Purchase Order shall be subject to standard labor costs.
5. Miscellaneous: Any costs incurred for various services for production of the cancelled Purchase Order. These shall include, but not be limited to; Outside vendors and/or Services completed or partially completed.