

TORR INDUSTRIES, INC.

GENERAL TERMS AND CONDITIONS OF SALE

Effective Date: July 29, 2026

These General Terms and Conditions ("Terms") govern all quotations, proposals, purchase orders, sales, engineering services, equipment, components, software, field services, installation services, commissioning services, and other products or services provided by TORR Industries, Inc. ("Seller").

The purchaser, customer, end user, or entity placing an order is referred to herein as ("Buyer").

Seller's acceptance of any Purchase Order is expressly conditioned upon Buyer's acceptance of these Terms. Any additional or different terms contained in Buyer's purchase order or other documents are expressly rejected unless accepted in writing by an authorized officer of Seller.

1. ENTIRE AGREEMENT

These Terms, together with Seller's quotation, proposal, order acknowledgment, drawings, specifications, and any written amendments executed by both parties, constitute the entire agreement between Seller and Buyer and supersede all prior discussions, negotiations, representations, proposals, and agreements.

No modification shall be binding unless made in writing and signed by authorized representatives of both parties.

Acceptance of delivery, payment of any invoice, issuance of a purchase order, or use of the equipment constitutes acceptance of these Terms.

2. PRICING

All prices are stated in U.S. Dollars unless otherwise specified.

Quotations are valid for thirty (30) days from the quotation date unless otherwise stated in writing.

Prices are based upon material, labor, freight, utility, and supplier costs existing at the time of quotation. Seller reserves the right to adjust pricing for orders not accepted within the quotation validity period.

Clerical, mathematical, typographical, and administrative errors may be corrected by Seller at any time.

3. TAXES

Prices do not include sales tax, use tax, value-added tax, excise tax, customs duties, tariffs, import fees, export fees, or similar governmental charges.

Buyer shall be responsible for all such taxes and charges. If Seller is required to pay any such amounts, Buyer shall reimburse Seller upon demand.

4. DELIVERY

Delivery dates are estimates only and are based upon:

- Seller's acceptance of the order;
- receipt of required deposits;
- receipt of all required technical information;
- approval drawings returned by Buyer;
- availability of materials and components; and
- Buyer fulfilling all contractual obligations.

Seller may make partial shipments and invoice each shipment separately.

If Buyer delays shipment after equipment is ready for shipment, the equipment shall be deemed delivered and accepted for purposes of payment, warranty commencement, risk of loss, and title transfer. Storage charges may apply.

Seller shall not be liable for delays caused by circumstances beyond its reasonable control.

5. FORCE MAJEURE

Seller shall not be liable for delays or failures resulting from causes beyond its reasonable control, including but not limited to:

Acts of God, fire, flood, earthquake, weather events, war, terrorism, civil unrest, labor disputes, strikes, shortages of labor or materials, transportation disruptions, supply chain interruptions, semiconductor shortages, utility failures, cyberattacks, ransomware incidents, pandemics, epidemics, governmental actions, tariffs, sanctions, export restrictions, import restrictions, acts of suppliers or subcontractors, or any similar event beyond Seller's reasonable control.

Delivery schedules shall be equitably extended for the duration of such event.

6. SHIPPING, TITLE AND RISK OF LOSS

Unless otherwise stated in writing, all shipments are Ex Works (EXW) Seller's facility pursuant to Incoterms® 2020.

Risk of loss transfers to Buyer when equipment is made available for pickup or delivered to the carrier.

Buyer is solely responsible for freight claims, insurance, customs clearance, import requirements, and transportation-related losses.

Title shall remain with Seller until all amounts due have been paid in full.

7. INSPECTION AND ACCEPTANCE

Buyer shall inspect equipment immediately upon receipt.

Equipment shall be deemed accepted upon the earliest of:

- a. Written acceptance by Buyer;

- b. Commencement of commercial production;
- c. Operation of the equipment for more than seventy-two (72) cumulative hours;
- d. Completion of Factory Acceptance Testing (FAT) or Site Acceptance Testing (SAT); or
- e. Ten (10) calendar days following delivery if Seller has not received written notice of material nonconformity.

Minor deficiencies that do not materially impair operation shall not constitute grounds for rejection.

8. PAYMENT TERMS

Payment terms shall be specified in Seller's quotation or order acknowledgment.

All invoices are due according to the agreed payment schedule.

Past due balances shall accrue interest at the lesser of:

- eighteen percent (18%) per annum; or
- the maximum rate permitted by applicable law.

Seller may suspend work, withhold shipments, revoke credit terms, or terminate performance if Buyer fails to make timely payment.

Buyer shall reimburse Seller for all collection costs, including reasonable attorneys' fees, court costs, and collection agency fees.

9. IMPAIRMENT OF CREDIT

If Seller reasonably determines that Buyer's financial condition has materially deteriorated, Seller may require:

- advance payment;
- additional deposits;
- letters of credit;
- personal guarantees; or
- other satisfactory security.

Seller may suspend performance until such assurance is received.

10. SECURITY INTEREST

Until all amounts due are paid in full, Buyer grants Seller a first-priority purchase money security interest in all equipment sold.

Buyer shall execute all documents reasonably requested by Seller to perfect and maintain such security interest.

11. SAFETY AND REGULATORY COMPLIANCE

Equipment is designed according to Seller's interpretation of applicable standards existing at the time of manufacture.

Because equipment operation, installation, integration, guarding, utilities, and workplace conditions are controlled by Buyer, Seller does not warrant compliance with local, state, provincial, federal, international, OSHA, CE, UL, CSA, FDA, USDA, GMP, EHEDG, or other regulations unless specifically stated in writing.

Buyer bears sole responsibility for final compliance at the installation site.

12. EQUIPMENT DRAWINGS AND APPROVALS

All drawings, specifications, layouts, calculations, models, and engineering documents remain Seller's property.

Buyer shall review and return approval drawings promptly.

Delays in approvals, information, samples, utilities, packaging materials, or customer-supplied equipment shall automatically extend delivery schedules.

Seller shall not be liable for errors resulting from Buyer-approved drawings.

13. CHANGE ORDERS

Any change requested after order acceptance shall require Seller's written approval.

Seller may adjust pricing, engineering charges, delivery schedules, testing requirements, and warranty obligations resulting from any change.

No change shall be effective until approved in writing.

14. EXPEDITED MANUFACTURING

When Buyer requests expedited engineering, procurement, manufacturing, testing, delivery, installation, or commissioning services, Seller will use commercially reasonable efforts to meet the requested schedule.

Buyer acknowledges that expedited schedules may require Seller to utilize alternate suppliers, subcontractors, labor resources, manufacturing methods, component substitutions, testing procedures, or logistics providers that would not otherwise be selected under standard production schedules.

Seller does not warrant that equipment manufactured under an expedited schedule will achieve the same performance, cosmetic finish, service life, testing scope, component consistency, documentation completeness, or overall quality level as equipment manufactured under Seller's standard production schedule.

Buyer assumes all risks associated with expedited production and agrees that Seller's obligation shall be limited to commercially reasonable efforts to satisfy the requested timeline.

15. INSTALLATION, STARTUP, TESTING AND COMMISSIONING

Unless otherwise stated in writing, Buyer is responsible for installation.

If Seller provides installation or commissioning assistance, Buyer shall provide at its expense:

- utilities;
- qualified personnel;
- testing materials;
- packaging materials;
- access to equipment;
- lifting equipment;
- safety equipment; and
- all necessary site preparations.

Delays caused by Buyer shall be billable at Seller's standard service rates.

16. CUSTOMER MODIFICATIONS

Seller shall have no responsibility for equipment performance, reliability, safety, regulatory compliance, warranty coverage, throughput, or production results resulting from:

- modifications by Buyer or third parties;
- operation outside design parameters;
- changes in product characteristics;
- changes in packaging materials;
- changes in utility conditions;
- changes in process requirements; or
- unauthorized repairs or alterations.

Warranty coverage shall be void to the extent affected by such modifications.

17. INTELLECTUAL PROPERTY

All designs, drawings, software, firmware, PLC programs, HMI applications, source code, object code, specifications, calculations, engineering documents, inventions, know-how, trade secrets, and improvements developed by Seller remain Seller's exclusive property.

No sale of equipment transfers ownership of Seller's intellectual property.

Buyer receives only the limited right to use such intellectual property solely for operation of the purchased equipment.

18. SOFTWARE AND CONTROL SYSTEMS

Seller grants Buyer a non-exclusive, non-transferable license to use software, firmware, PLC logic, and HMI applications supplied with the equipment.

Buyer shall not:

- copy;
- modify;
- reverse engineer;
- distribute;
- disclose; or
- create derivative works

without Seller's written consent.

Seller shall not be responsible for software modifications performed by Buyer or third parties.

19. LIMITED WARRANTY

Seller warrants to the original Buyer that equipment manufactured by Seller shall be free from defects in material and workmanship under normal use and proper maintenance for the period specified in Seller's written warranty statement.

The warranty does not apply to:

- wear items, including but not limited to; Gaskets, O-rings, Seals, Diaphragms, Tubing, Hoses, Filters, Lubricants, Filling valves subject to normal wear, Product-contact components subject to sanitation wear, Fuses Lamps and indicators, Batteries, Ink, labels, packaging materials;
- consumables;
- clear plastic guards and panels made out of acrylic or polycarbonate style resins;
- misuse;
- abuse;
- neglect;
- improper maintenance;
- unauthorized modifications;
- accidents;
- operation outside design specifications; or
- components supplied by third parties.

Third-party components are subject solely to the warranties provided by their manufacturers.

THE WARRANTIES EXPRESSLY PROVIDED HEREIN ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED BY SELLER.

SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, COURSE OF DEALING, OR USAGE OF TRADE.

20. BUYER'S EXCLUSIVE REMEDY

Buyer's sole and exclusive remedy shall be repair, replacement, or refund of the purchase price, at Seller's option.

Seller may require return of defective components for evaluation.

Buyer shall bear all shipping, removal, reinstallation, travel, and related expenses unless otherwise approved in writing.

21. LIMITATION OF LIABILITY

SELLER'S TOTAL CUMULATIVE LIABILITY ARISING FROM OR RELATED TO THE EQUIPMENT, SERVICES, SOFTWARE, ENGINEERING, INSTALLATION, OR THIS AGREEMENT SHALL NOT EXCEED THE TOTAL AMOUNT ACTUALLY PAID TO SELLER FOR THE SPECIFIC EQUIPMENT GIVING RISE TO THE CLAIM.

IN NO EVENT SHALL SELLER BE LIABLE FOR:

- LOST PROFITS;
- LOST REVENUE;
- LOST PRODUCTION;
- BUSINESS INTERRUPTION;
- LOSS OF USE;
- LOSS OF GOODWILL;
- COST OF CAPITAL;
- COST OF SUBSTITUTE EQUIPMENT;
- LOSS OF CONTRACTS;
- LOSS OF OPPORTUNITY; OR
- ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES,

REGARDLESS OF THE THEORY OF LIABILITY.

22. CANCELLATION

No accepted order may be canceled without Seller's written consent.

Buyer shall reimburse Seller for all costs incurred, including:

- engineering;
- materials;
- labor;
- commitments to suppliers;
- administrative costs;
- storage costs; and
- anticipated profit on work performed.

All partially completed work, drawings, and materials shall remain Seller's property until paid in full.

23. MARKETING RIGHTS

Seller may photograph, video record, and reference equipment supplied to Buyer for marketing, demonstrations, advertising, trade shows, website content, and promotional purposes, provided confidential process information is not disclosed.

24. REFURBISHED OR USED EQUIPMENT

Refurbished, demonstration, prototype, used, or reconditioned equipment is sold AS IS except to the extent expressly covered by a separate written warranty.

Such equipment may contain cosmetic defects, wear, obsolete components, or operational limitations consistent with prior use.

This warranty applies only to components refurbished or supplied by TORR as part of the refurbishment process, including:

- Mechanical assemblies;
- Pneumatic components replaced during refurbishment;
- Electrical components replaced during refurbishment;
- Control system components specifically identified in the refurbishment scope;
- Safety devices serviced or replaced during refurbishment.

25. GOVERNING LAW AND VENUE

These Terms shall be governed by and construed in accordance with the laws of the State of California, excluding conflict of law principles.

Any dispute arising from or relating to this Agreement shall be brought exclusively in the state or federal courts located in Shasta County, California.

The prevailing party shall be entitled to recover reasonable attorneys' fees, expert witness fees, and litigation costs.

26. SEVERABILITY

If any provision of these Terms is found unenforceable, the remaining provisions shall remain in full force and effect.

27. SURVIVAL

All provisions relating to payment obligations, confidentiality, intellectual property, warranty limitations, limitation of liability, indemnification, dispute resolution, and governing law shall survive completion, termination, cancellation, or expiration of the Agreement.

BUYER'S ACCEPTANCE OF SELLER'S QUOTATION, PURCHASE OF EQUIPMENT, PAYMENT OF ANY INVOICE, ACCEPTANCE OF DELIVERY, OR USE OF THE EQUIPMENT CONSTITUTES ACCEPTANCE OF THESE TERMS AND CONDITIONS.