

SAERTEX USA, LLC
Terms and Conditions of Purchase

1. Acceptance of Purchase Order. The purchase order, including these terms which are incorporated into the purchase order by reference (collectively, the “**Order**”) constitutes the terms and conditions by which SAERTEX USA, LLC (“**SAERTEX**”) is to purchase from the party designated as the vendor on this document (“**Seller**”) the goods (collectively, the “**Goods**”) and the services (collectively, the “**Services**”) described in the Order. Seller shall promptly acknowledge receipt of this Order. Seller shall be deemed to have accepted this Order by any reasonable indication of acceptance, including without limitation (i) if it fails to object to SAERTEX, in writing, within five (5) days of receipt of this Order, or (ii) if it ships the Goods to SAERTEX, or (iii) if it commences any work in connection with or related to the Goods or Services under the Order. Seller’s acceptance, however made, is expressly limited to the terms of this Order, and SAERTEX objects to all additions, exceptions, or changes to these terms and any alternate or different terms whether contained in any printed form of Seller or elsewhere unless expressly approved by an officer of SAERTEX in writing. Any terms and conditions set forth in the Order shall control over any inconsistent terms or conditions below.

2. Delivery; Risk of Loss. Unless this Order expressly provides otherwise, Seller shall deliver all Goods duty paid (Delivered Duty Paid – DDP Incoterms 2010) at SAERTEX’s location specified in this Order and shall bear all risk of loss with respect to the Goods until SAERTEX actually receives and accepts the Goods. Time is of the essence with respect to the delivery of the Goods and performance of the Services. SAERTEX shall have the right to inspect and test the Goods and the Services before accepting. SAERTEX shall have the right to use the Goods whether or not such Goods have yet been accepted as complete and satisfactory. SAERTEX shall have a reasonable period of time after it discovers a defect or nonconformity to reject the Goods or the Services or to revoke its acceptance of the Goods or the Services. Payment for any Goods under this Order shall not be deemed acceptance of the Goods. Even if the Goods are not performing to SAERTEX’s satisfaction, SAERTEX shall have the right to use such Goods for such time as SAERTEX deems necessary until they can be taken out of service for repairs or replacement by Seller. Any inspection, testing or approval of the Goods (whether during manufacturing or after delivery), any acceptance of the Goods, or any use of any Goods by SAERTEX shall not limit SAERTEX’s rights and remedies nor waive SAERTEX’s right to require full compliance with this Order. If SAERTEX rejects the Goods or the Services or revokes its acceptance of the Goods or the Services, and Seller does not deliver conforming Goods or re-perform the Services on or before the delivery date specified in this Order, SAERTEX shall have the right, at SAERTEX’s election, to terminate all or a portion of this Order and to claim damages and other relief. Without limiting SAERTEX’ rights or remedies, Seller shall pay all costs SAERTEX incurs in (a) rejecting the Goods or the Services or revoking its acceptance of the Goods or the Services, or (b) holding those Goods or returning them to Seller. Seller shall comply with all of SAERTEX’s labeling requirements for the Goods.

3. Warranties. In addition to all warranties provided by law or provided in this Order, Seller represents, warrants and covenants to SAERTEX that: (a) Seller shall deliver to SAERTEX good, exclusive and marketable title to the Goods free and clear of all liens, security interests, claims, and encumbrances; (b) for a period of 12 months after delivery, or any longer period specified in this Order, the Goods shall be free from defects in materials and workmanship; (c) the Goods shall be free from infringement of any patent, copyright, trademark or other proprietary right of a third party; (d) the Goods shall comply fully with all descriptions, specifications, drawings and other terms provided by SAERTEX, including without limitation any specified in this Order; (e) the Goods shall be manufactured, labeled, sold and shipped in compliance with any and all applicable laws, rules and regulations of

governmental authorities (including, without limitation, import/export and customs clearance regulations, and applicable product safety regulations); (f) Seller shall perform the Services in a professional and workmanlike manner, in accordance with the standards of care, thoroughness and competence normally practiced by recognized firms in the industry performing services of a similar nature and in full compliance with all final written descriptions, specifications, drawings and warranties, including those specified in this Order; and (g) the prices and other terms that Seller offers to SAERTEX with respect to the Goods and the Services, taken as a whole, shall be at least as favorable to SAERTEX as those Seller offers to any other person or entity for similar quantities. Without limiting SAERTEX's rights or remedies, Seller shall immediately repair or replace, at SAERTEX's election, all Goods and re-perform all Services that do not comply fully with these warranties. Any warranty period set forth above shall be extended by 12 additional months (or any longer period specified in this Order) after any repair or replacement with respect to the affected Goods or any re-performance with respect to the affected Services. In addition, and without limiting the warranties granted in this Order by Seller, in the event Seller is not the manufacturer of the Goods, Seller shall also provide SAERTEX with a copy of any and all warranties issued by the third party manufacturer, and Seller hereby assigns all rights relating to such warranties to SAERTEX.

4. New Materials. Unless otherwise stated by SAERTEX in this Order, all materials used in the manufacture and assembly of the Goods shall be new and of the highest standard commercial quality normally used for these type of Goods, considering strength, durability, best engineering practice, design margins and the purpose for which the Goods are to be used.

5. SAERTEX-Furnished Material. Seller shall not use, reproduce, or appropriate for or disclose to anyone other than SAERTEX, any material, tooling, dies, equipment, blueprints, drawings, or designs furnished by SAERTEX ("**Material**") without SAERTEX's prior written approval. Title to all Material shall remain with SAERTEX at all times. Seller shall bear the risk of loss or damage to the Material until it is returned to SAERTEX. All Material shall be protected against loss or damage by insurance secured by the Seller, at its expense and acceptable to SAERTEX. All Material shall be returned to SAERTEX at cancellation, termination or completion of this Order unless SAERTEX shall otherwise direct in writing.

6. Hazardous Materials. Before any chemical, material, ingredient or equipment that contains a hazardous material is permitted to be brought into a SAERTEX facility, a Material Safety Data Sheet (MSDS) must be forwarded to the facility's environmental coordinator, who will complete a review and approve or reject the acceptance of the shipment(s). Shipment(s) made to any SAERTEX facility not following this procedure may be rejected and returned to Seller at Seller's sole expense and liability.

7. Ownership of Intellectual Property. All inventions, discoveries, developments, improvements, technology and know-how, whether patentable or not (collectively, the "**Intellectual Property**") created, alone or jointly with others, by Seller or its employees in connection with or arising out of this Order shall be owned by SAERTEX and shall be considered confidential information of SAERTEX. Seller hereby assigns and transfers to SAERTEX all of its right, license, title and interest in any such Intellectual Property, and Seller agrees to execute and deliver any and all documents and instruments necessary to establish or confirm ownership thereof by SAERTEX. Seller shall inform SAERTEX in writing of all such Intellectual Property but agrees not to implement or otherwise use such Intellectual Property in connection with this Order or otherwise without SAERTEX's prior written consent.

8. Price. The price for the Goods supplied and the Services performed shall be the amount designated in this Order. No increase in any prices will be effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of SAERTEX. Unless otherwise specified, such price includes all charges for cartage, packing, boxing, labeling, hauling, storage, transportation to the point of delivery, freight insurance, duties, charges, fees, expenses, taxes, and installation.

9. Payment; Discounts. Unless this Order expressly provides otherwise (a) SAERTEX shall pay all of Seller's invoices within 30 days after SAERTEX accepts the Goods or the Services and (b) all payments shall be made in U.S. dollars to Seller and SAERTEX shall not be responsible for any foreign exchange or wire transfer fees. Seller shall not send SAERTEX an invoice for the Goods or the Services until those Goods and Services are completely delivered to or performed for SAERTEX. All of Seller's invoices shall refer to this Order and contain its number. Any prompt payment discount Seller offers SAERTEX shall be determined using the date SAERTEX receives a correct invoice and not the date of any incorrect invoice.

10. Use of Seller Information. SAERTEX shall be entitled to copy and use information obtained from Seller for any reason whatsoever related to the ownership, operation or maintenance of the Goods notwithstanding any designation of such information as "Proprietary" or "Confidential" by Seller; provided SAERTEX shall require any third party to maintain such information as proprietary.

11. SAERTEX Trademarks. Except as expressly set forth in this Order, Seller shall not use SAERTEX's name, logos, trademarks, service marks or trade names in any way without SAERTEX's prior written consent, and SAERTEX shall not be deemed to have granted Seller a license of, or granted Seller any rights in, any of the foregoing by entering into this Order.

12. Cancellation and Delay. SAERTEX shall have the right at any time to cancel all or part of this Order or to delay the delivery or performance date of some or all of the Goods or the Services, for any reason, including at its convenience, by giving Seller written notice, without liability. In the event of such notice of cancellation or delay, Seller must notify SAERTEX within 10 days thereafter of any request for an equitable adjustment to the price or delivery terms, pursuant to the terms in this Order, to reflect reasonable changes in Seller's cost or delivery schedule caused by the changes. If SAERTEX cancels all or a portion of this Order, unless this Order expressly provides otherwise, SAERTEX shall pay Seller reasonable cancellation charges agreed to in writing by the parties, but consisting solely of direct costs for labor and materials for the portion of this Order cancelled that was expended by Seller before the cancellation, minus the salvage amount that Seller can realize by selling or using any materials. If SAERTEX delays the delivery or performance date of some or all of the Goods or the Services under this Order, SAERTEX shall pay Seller reasonable delay charges agreed to in writing by the parties, but which shall consist solely of necessary increases in the direct costs of labor or materials for the portion of this Order delayed and for which Seller has not been otherwise compensated. Seller shall take all reasonable actions to minimize any cancellation or delay charges and shall provide an accurate accounting of all charges to SAERTEX at the time Seller makes a request for payment of those charges. Cancellation and delay charges shall not include any incidental, consequential or indirect charges, expenses or damages. If the sum of SAERTEX's prior payments and deposits under this Order exceed the cancellation and delay charges, Seller shall promptly refund the balance to SAERTEX.

13. Indemnification. Seller shall defend, indemnify and hold harmless SAERTEX and its subsidiaries, affiliates, directors, officers and employees from and against all claims, demands, losses, damages, liabilities, obligations, and attorneys' and other professionals' fees and expenses arising out of or relating to: (a) any claim that the Goods or the Services or the use of the Goods or the Services by SAERTEX or its customers infringes any patent, copyright, trademark, trade name, service mark, trade secret or other property right; (b) any breach of the Order by Seller, including without limitation any breach of a warranty; (c) any claim that the Goods are defective or caused personal injury or property damage; and (d) any act or omission of Seller or its employees, contractors and agents in the performance of the Services, including any claim arising out of Seller's failure to comply with applicable laws, rules, regulations or orders. In the case of a claim that the Goods are infringing, Seller shall have the right, at its sole expense, to obtain immediately for SAERTEX the right to continue using the Goods without interference or to modify or replace the Goods in a manner acceptable to SAERTEX in its sole discretion. SAERTEX shall give Seller reasonable notice of any claim SAERTEX contends falls within this indemnification, provided any failure to do so shall only limit Seller's obligations to the extent Seller is directly prejudiced by such delay.

14. Confidentiality. Seller shall keep confidential and not disclose, directly or indirectly, to any person or entity any confidential information of SAERTEX or its affiliates, and shall not use, directly or indirectly, any information (including confidential information) of SAERTEX or its affiliates, except Seller may use such information, and may disclose such information to employees who have a need to know, in order for Seller to perform its obligations under this Order. Seller shall not use SAERTEX's name or the fact that Seller is selling Goods or Services to SAERTEX in any press releases, media statements or communication to third parties or publicize this Order without SAERTEX's prior written consent.

15. Audit. Seller shall maintain complete and accurate books and records of all materials, services and costs relating to this Order in accordance with generally accepted accounting principles for at least seven years after Seller receives the final payment under this Order. SAERTEX shall have the right to audit and copy those records at any time upon reasonable notice.

16. Default. If Seller defaults under any term of this Order, SAERTEX shall be entitled: (a) to suspend its performance under this Order; (b) to terminate this Order and have no further obligation to Seller; (c) to declare all or part of Seller's obligations to SAERTEX under this Order immediately due and payable; and (d) to pursue any other right or remedy SAERTEX may have. SAERTEX shall be entitled to set off any claims and amounts owed by Seller against all amounts SAERTEX owes Seller under this Order or otherwise.

17. Assignment. Without limiting SAERTEX's rights to transfer and assign this Order, SAERTEX may transfer and assign in whole or parts any warranties and other rights and remedies under this Order. Seller shall not assign, delegate or subcontract all or any portion of this Order (whether by merger, operation of law, or otherwise) without the prior written consent of SAERTEX. Any attempted assignment, delegation or subcontracting by Seller without SAERTEX's prior written consent shall be ineffective and void.

18. Applicable Law. This Order, the purchase and sale of the Goods and the performance of the Services and any dispute or controversy arising out of or relating thereto, shall be governed and construed according to the laws of the State of North Carolina, excluding its conflict of law principles. The provisions of the United Nations Convention on the International Sale of Goods are expressly excluded.

19. Forum; Venue; Jurisdiction. Any suit, action or other proceeding arising out of or relating to this Order or the purchase and sale of the Goods or the performance of the Services may be instituted and maintained in the state courts for the State of North Carolina, or the United States District Court for the Western District of North Carolina. Seller consents to the exercise of jurisdiction over it by such courts for the purpose of any such suit, action or proceeding, and agrees that the venue in such courts is appropriate and the forum is not inconvenient.

20. Waiver. Waiver by SAERTEX of a breach by Seller of any provision of this Order shall not be deemed a waiver of any other provision of or future compliance with all provisions of this Order, and all such provisions shall remain in full force and effect.

21. Severability. The invalidity or unenforceability of any particular provision of this Order shall not affect the other provisions hereof, and this Order shall be construed in all respects as if such invalid or unenforceable provision were omitted.

22. Governing Language. In the event this Order is translated into a language other than English, the English version shall control its interpretation.

23. Survival. Any obligations or duties which by their nature extend beyond the delivery and acceptance of the Goods, the performance and acceptance of the Services, or the cancellation or termination of this Order for any reason shall survive.

24. Remedies; Entire Agreement. If a specific provision in these terms and conditions conflicts with a specific provision in the Order, then the specific provision in the Order will control over the specific conflicting provision in these terms and conditions. The remedies of SAERTEX in this Order are cumulative and in addition to all rights and remedies at law and in equity. SAERTEX may exercise its rights and remedies in any order or combination it chooses. No delay in exercising or failure to exercise by SAERTEX a right of remedy shall impair that or any other right or remedy or be construed as a waiver of any default. This Order contains the entire agreement of the parties relating to the subject matter and supersedes all prior and contemporaneous agreements, understandings, usages of trade and courses of dealing, whether written or oral. This Order may only be modified by a written agreement, signed by both parties, expressly modifying this Order.