

APPLICABLE TERMS AND CONDITIONS

Buyer's acknowledgement of this Quotation/Purchase Order of any performance by Seller pursuant to this Quotation/Purchase Order shall constitute Buyer's acceptance of Seller's terms and conditions and the prices set forth herein and any order resulting from this Quotation/Purchase Order is expressly conditioned upon the applicability of Seller's terms and conditions only. No terms or conditions stated by Buyer shall be binding on Seller if in conflict with, inconsistent with or in addition to the terms and conditions contained herein, unless such terms and conditions are expressly accepted in writing by Seller. The failure of Seller to specifically object to any or all terms and conditions suggested by Buyer shall not be deemed an acceptance of such terms and conditions that in conflict with, inconsistent with, or in addition to the terms and conditions set forth herein, and Buyer, upon the acknowledgement of the Quotation/Purchase Order or upon Seller's commencement of performance hereunder shall be deemed to have withdrawn any such terms and conditions that conflict with, are inconsistent with or are in addition to the terms and conditions set forth herein.

CHANGES:

Buyer may at any time, in writing, make changes within the general scope of an order in the drawings, designs, specifications (where the products to be furnished by Seller are to be specially manufactured for Buyer in accordance therewith), shipping, or packing instructions or place of delivery. If any such changes cause an increase or decrease in the cost of, or the time required for performance of any such purchase order affected by such change, as equitable adjustment in the price, the delivery schedule or both shall be made and such order shall be modified accordingly. Seller reserves the right at any time to make changes in design or additions to or improvements in its product without liability to install such change in any product manufactured prior thereto.

WARRANTY:

Seller warrants that at the time of delivery products delivered under the Order will conform to applicable drawings and specifications and will be free from defects in material and workmanship. Any claim for defective material or workmanship must be made within a period of ninety (90) days from the date of delivery to Buyer. Upon prompt notice of any claimed nonconformity or defect, Seller's obligation under this warranty is limited, at its option, to repairing or replacing at its plant the product or component part thereof that is proved to be other than as herein warranted. This warranty does not extend to any of Seller's products which have been subject to misuse, accident or improper installation, maintenance or application nor does it extend to products which have been repaired or altered outside of Seller's plant unless authorized in writing by Seller or unless such installation repair or alteration is performed by Seller, nor does this warranty extend to any labor charges for removal and/or replacement of the nonconforming or defective product or part thereof.

EXCEPT AS EXPRESSLY SET FORTH IN THE PRECEDING PARAGRAPH, NO WARRANTIES SHALL APPLY, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW, CUSTOM, PRIOR ORAL OR WRITTEN STATEMENTS (INCLUDING, BUT NOT LIMITED TO ANY WARRANTY, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE), AND ALL SUCH OTHER WARRANTIES ARE HEREBY OVERRIDDEN, EXCLUDED AND DISCLAIMED.

SHIPMENTS:

Shipments generally will be accomplished Ex Works (Incoterms 2010) and shall become the property of Buyer upon delivery to the carrier. Buyer shall assume all risk and liability for loss or damage after delivery to the carrier if Seller prepays the transportation charges, Buyer will be obligated to reimburse Seller upon receipt of invoice for the prepaid transportation charges. Any special or abnormal packaging required, as determined by Seller, will be included in the unit price of the item to be delivered or as a separate line item.

DELIVERY:

If mutually agreed upon Seller and Buyer, Seller may deliver the goods in installments. Seller shall not be liable for any delay in delivery or for non-delivery, in whole or in part, caused by the occurrence of any contingency beyond the control either of Seller or Seller's supplier, including but not limited to war (whether an actual declaration thereof is made or not) sabotage insurrection, riot or other act of civil disobedience, act of a public enemy, failure or delay in transportation, act of any government or any agency or subdivision thereof judicial action labor dispute, accident, fire, explosion, flood, storm or other act of God, shortage of labor, fuel, raw material or machinery or technical failure where Seller has exercised ordinary care in the prevention thereof. If any contingency occurs, Seller may allocate production and deliveries among Seller's customers.

PATENTS:

Seller shall defend any suit or proceeding brought against Buyer insofar as such suit or proceeding is based on a claim that any goods manufactured and supplied by Seller to Buyer constitute direct infringement of any duly issued United States patent and Seller shall pay all damages and costs finally awarded therein against Buyer, provided that Seller is promptly informed and furnished a copy of each communication, notice or other action relating to the alleged infringement and is given authority, information and assistance (at Seller's expense) necessary to defend or settle said suit or proceeding. Seller shall not be obligated to defend or be liable for costs and damages if the infringement arises out of compliance with Buyer's specifications, or from a combination with, an addition to, or a modification of the goods after delivery by Seller or from the use of the goods, or any part thereof, in the practice of a process. Seller's obligations hereunder shall not apply to any

infringement occurring after Buyer has received notice alleging the infringement unless Seller has given written permission for such continuing infringement.

If infringement is alleged prior to completion of delivery of the goods, Seller may decline to make further shipments without being in breach of this contract.

The foregoing states the sole and exclusive liability of Seller for patent infringement and is in lieu of all warranties, express, implied, or statutory, in regard thereto.

TOOLING:

Unless otherwise agreed in writing, all material, equipment, facilities and special tooling, which term includes but is not limited to jigs, dies, fixtures molds, patterns, special taps, special gauges, special test equipment, other special equipment and manufacturing aids and replacements thereof, used in the manufacture of the products covered by any order shall remain the property of Seller. Any material, tooling and equipment furnished to Seller by Buyer shall be and remain the property of Buyer with the title to and right of possession remaining in Buyer and such property shall be returned to Buyer in the same condition as originally received by Seller, except for reasonable wear and tear or for the utilization of such property in accordance with the order.

INSOLVENCY AND CANCELLATION:

Either party may cancel any order resulting from this Quotation/Purchase Order without liability in the event the other party becomes bankrupt, insolvent, or makes an assignment for the benefit of creditors. Buyer may cancel an order only upon proper written notice and agreement by Seller, and upon payment of reasonable and proper cancellation charges (which shall include payment of Seller's actual costs, plus a reasonable profit percentage).

TAXES:

Unless otherwise specifically designated on the face of this Quotation/Purchase Order, the prices quoted herein do not include sums necessary to cover any taxes or duties including but not limited to federal, state, municipal, excise, sales or use taxes or import duties upon the production, sale, distribution or delivery of equipment or furnishing of services hereunder. Any taxes or duties that are due and owing hereunder shall be paid by the Buyer. Accordingly, Seller reserves the right to revise its Quotation/Purchase Order after the execution of a contract between the parties to include any and all taxes or duties that may become due hereunder and Seller may invoice Buyer for said additional amount. This clause shall survive the acceptance and complete performance of any purchase order resulting from this Quotation/Purchase Order by the parties herein.

PAYMENT:

In the event payments are not made in a timely manner Seller may: (1) declare Buyer's performance in breach and terminate any order resulting from this Quotation/Purchase Order for default, (2) withhold future shipments under any order resulting from this

Quotation/Purchase Order until delinquent payments are made, (3) deliver future shipments under any order resulting from this Quotation/Purchase Order on a C.O.D. or cash-in-advance basis even after the delinquency is cured, (4) charge interest on the delinquency at a rate of 1-1 ½ % per month or the maximum rate permitted by law, if lower, for each month or part thereof of delinquency in payment plus applicable storage charges, or inventory carrying charges, if any or (5) combine any of the above rights and remedies as is practicable and permitted by law. Nothing herein shall waive any other rights and remedies of Seller permitted by law or set forth in any order resulting from this Quotation/Purchase Order and all rights and remedies set forth herein shall be considered cumulative with all other available rights and remedies.

SET-OFF:

All monies owed under any purchase order resulting from this Quotation/Purchase Order shall be due and payable under the terms of this agreement and Buyer is prohibited from setting off said sums due Seller under this purchase order from sums, whether liquidated or not, that are or may be due Buyer which arise out of a different transaction with Seller, its division, subsidiaries or affiliates.

ASSIGNMENT:

An order resulting from this Quotation/Purchase Order shall not be assigned in whole or in part by either party without written consent of the other party, except that Seller may assign its rights, liabilities and obligations arising out of an order to one or more of its related entities without prior written notice.

INSPECTION AND ACCEPTANCE:

Buyer shall inspect and accept any products delivered in response to this Quotation/Purchase Order immediately after Buyer takes custody of such products. In the event that products do not meet the drawings, designs, and/or specifications, Buyer shall notify Seller of such noncompliance in writing and give Seller a reasonable opportunity to correct any such noncompliance. Buyer shall be deemed to have accepted any products delivered hereunder and to have waived any such noncompliance in the event a written notification that the products delivered hereunder do not comply with the drawings, designs, and/or specifications is not received by Seller within 90days after Buyer takes custody of the products delivered hereunder.

SEVERABILITY:

All orders shall be interpreted and construed in accordance with the laws of the State of North Carolina, and all disputes shall be heard exclusively in an appropriate State or Federal court closest to Greensboro, North Carolina. If any provision of this Quotation/Purchase Order is in violation of any federal, state or local statute or regulation, or is illegal for any reason, said provision shall be self deleting without affected the validity of the remaining provisions.

U.S. GOVERNMENT CONTRACTS:

If the goods to be furnished under this contract are to be used in the performance of a U.S. government contract or subcontract, and a U.S. government contract number shall appear on Buyer's purchase order, those clauses of the applicable U.S. government procurement regulation which are mandatorily required by federal statute to be included in U.S. government subcontracts shall be incorporated herein by reference.

UNLAWFUL PAYMENTS: Buyer will not use any payment or other benefit to offer, promise or pay any money, gift or any other thing of value to any person for the purpose of influencing official actions or decisions affecting this Agreement, while knowing or having reason to know that any portion of this money, gift or thing will, directly or indirectly, be given, offered or promised to (i) an employee, officer or other person acting in an official capacity for any government or its instrumentalities or (ii) any political party, party official or candidate for political office.

MODIFICATION:

This contract constitutes the entire agreement between the parties relating to the sale of goods described on the face hereof, and no addition to or modification of any provision upon the face or reverse side of this contract shall be binding upon Seller unless made in writing and signed by a duly authorized representative of Seller located in Greensboro, North Carolina, USA.

EXPORT COMPLIANCE:

The subject matter of this Quote may be subject to various export-related restrictions and licensure requirements under one or more U.S. laws or regulations, including but not limited to those related to the exportations of defense articles pursuant to the U. S. International Traffic in Arms Regulations. It is Buyer's responsibility to determine the applicability of such laws and regulations; and, Buyer shall not export, disclose, or transfer the subject matter of this Quote or any technical data related thereto, either directly or indirectly, without first complying with the same.

DIVERSION POLICY:

These commodities, technology, or software are exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. laws is strictly prohibited.

LIMITATION:

Under no circumstances will Seller or its related entities or persons be liable to other party or any other person for any consequential, indirect, special, punitive, or incidental damages or lost profits, whether foreseeable or unforeseeable, arising out of Seller's obligations in this document (including Seller's indemnification obligations), or breach of



PUROLATOR FACET, INC

8439 Triad Drive • Greensboro, NC 27409

P: 336-668-4444 • F: 336-668-4452 • E: info@purolator-facet.com • www.purolator-facet.com

contract, misrepresentation, negligence, strict liability in tort or otherwise, except only to the extent that applicable law requires such liability.