

TERMS & CONDITIONS OF PURCHASE

1. Acceptance of Order. This document, including the terms on the face which are incorporated herein by reference (collectively, the “**Order**”) constitutes the terms and conditions by which PECTEC Corporation (“**Buyer**”) is to purchase from the party designated as vendor on the front side (“**Seller**”) the goods described on the front side (the “**Goods**”). Seller shall be deemed to have accepted this Order by any reasonable indication of acceptance, including (a) if it fails to object to Buyer, in writing, within 5 days of receipt of this Order or (b) if it ships the Goods to Buyer. Seller’s acceptance, however made, is expressly limited to the terms of this Order, and Buyer objects to all different and additional terms whether contained in any printed form of Seller or elsewhere unless expressly approved by Buyer in writing.

2. Price; Payment. The purchase price of each Good is specified in this Order and includes all charges and fees for packing, storage, handling, freight to point of delivery, customs or import duties, insurance and applicable taxes, including all sales, use or excise taxes, all of which shall be the responsibility of Seller. Seller may not increase the purchase price of any Goods, or impose additional charges, for any reason without Buyer’s prior written consent. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount Buyer owes Seller against any amount Seller owes Buyer. Within 10 days after the delivery of each Order, Seller shall deliver to Buyer an invoice for all Goods Seller delivered to Buyer as specified in such Order. Unless different payment terms are specified by Buyer in the Order, Buyer will pay each correct invoice within 60 days after Buyer receives it.

3. Warranty. Seller warrants to Buyer for a period of 24 months after the date Buyer receives the Goods, or any longer period specified in this Order, that: (a) the Goods will be free from defects in materials and workmanship; (b) the Goods will comply fully with all final written descriptions, specifications, samples, drawings and representations Buyer provides to Seller, including those specified in this Order; and (c) Seller will deliver to Buyer good and marketable title to the Goods free and clear of all liens, security interests, claims, infringements, encumbrances, and other claims. Seller also warrants that (a) no federal, state, local or foreign statute, law, rule, regulation or order will be violated in the manufacturing, labeling, selling or shipping of the Goods and (b) the prices and other terms that Seller offers to Buyer with respect to the Goods, taken as a whole, shall be at least as favorable to Buyer as those Seller offers to any other person or entity for similar volumes of similar Goods. Without limiting Buyer’s remedies, Seller shall within 10 working days of Buyer’s notice of nonconformity repair or replace, at Buyer’s election and at Seller’s sole expense, all Goods that do not comply fully with these warranties. The warranty period shall be extended for 12 additional months after repair or replacement of any nonconforming Goods. 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 provide Buyer 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 Buyer.

4. Delivery; Inspection; Returned Goods. Unless this Order expressly provides otherwise, Seller shall deliver all Goods “Delivery Duty Paid” (DDP - Incoterms 2010) Buyer’s location in Spartanburg, South Carolina, U.S.A. and shall bear all risk of loss with respect to the Goods until Buyer actually receives and accepts the Goods as provided herein. Time is of the essence with respect to the delivery of the Goods. Buyer has the right to inspect all Goods on or after delivery and in its sole discretion may reject all or any portion of Goods that are nonconforming or defective or revoke acceptance of such Goods. If Buyer rejects any nonconforming Goods, Buyer may, at Buyer’s election: (a) return the Goods to Seller at Seller’s risk and expense; (b) require Seller to pick the Goods up at Seller’s sole risk and expense; and/or (c) require Seller to repair or replace the Goods within 10 working days of Buyer’s notice of nonconformity at Seller’s sole expense (including payment for expenses relating to the holding of the nonconforming Goods, handling and shipping charges for the return of such Goods, and the delivery of replacement Goods). If Seller fails to timely repair or replace nonconforming Goods, Buyer may terminate all or portion of the corresponding Order and obtain a prompt refund from Seller of all payments Buyer has made with respect to that portion of the Order Buyer has terminated.

5. Cancellation and Delay. Buyer may terminate an Order, in whole or in part, at any time with or without cause for undelivered Goods upon 10 days’ prior written notice to Seller. In addition to any other rights and remedies provided under this Order and applicable law, Buyer may terminate this Order with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods, if Seller has breached this Order, in whole or in part. Without limiting the foregoing, Buyer will be entitled to recover from Seller all of Buyer’s costs and expenses, including reasonable attorney’s fees and expenses, arising from Seller’s breach of an Order. If Buyer terminates an Order for any reason, Seller’s sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.

6. Deliverables. All documentation and other deliverables, and all copyrights, trade secrets and other intellectual property rights therein, including all renewals, extensions and continuations, Seller prepares or delivers pursuant to this Order, or which Buyer requires Seller to supply pursuant to an Order (collectively, “**Deliverables**”), will be the property of Buyer, and Seller will have no rights in them. All Deliverables will be deemed to be “works made for hire” for Buyer. Seller hereby assigns to Buyer all rights, title and interests in all Deliverables. Seller will execute and deliver to Buyer all such further assignments and assurances confirming Seller’s ownership of all Deliverables as Buyer may request from time to time.

7. Insurance. Seller will, at its own expense, maintain for a period commencing on its acceptance of this Order and continuing until one (1) year after the date of the delivery of the Goods (a) a commercial general liability insurance policy, including coverage for products liability, completed operations, contractual liability and personal injury

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and property damage, and having a per occurrence limit of at least \$2,000,000 and an aggregate limit of at least \$5,000,000 and (b) workers compensation insurance as required by applicable law. At Buyer's request from time to time, Seller will provide to Buyer current and valid certificates of insurance evidencing such insurance policies are in full force and effect.

8. Export Controls; Foreign Trade Regulation.

Seller shall comply with all applicable export control, customs and foreign trade regulations. Seller shall advise Buyer in writing within 10 days of receipt of an Order of any information and data required by Buyer to comply with all Foreign Trade Regulations in case of export and import as well as re-export, including, without limitation, all applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List ECCN, the statistical commodity code according to the current commodity classification for foreign trade statistics, the HS (Harmonized System) coding, the classification for foreign trade statistics, the country of origin (non-preferential origin) and upon request by Buyer, Seller's declaration of preferential origin (in case of European Suppliers) or preferential certificates (in case of non-European Suppliers). Seller shall be liable and indemnify Buyer for any expenses and/or damages incurred by Buyer due to Seller's breach of its obligations pursuant to this Section 8. The Goods purchased under this Order shall comply with national and international foreign trade and customs requirements, including any embargos, sanctions or directives.

9. Indemnification. Seller will indemnify and hold harmless Buyer and its affiliates and their respective directors, officers, employees, agents and successors and assigns (each an "Indemnified Party"), and at Buyer's election, shall defend the Indemnified Party, from and against all claims, demands, suits, actions, liabilities, damages, losses, penalties, costs and expenses, including attorneys' fees, deficiencies, interest, fines, penalties, court costs, settlements, the costs of enforcing any right to indemnification under this Order and the cost of pursuing any insurance providers, incurred by or awarded against an Indemnified Party, and arising out of or relating to: (a) any claim that the Goods or the use or possession of the Goods by Buyer or its customers infringes or misappropriates any patent, copyright, trademark, trade name, trade secret or other intellectual property right of any third party; (b) any breach of this Order by Seller; (c) any breach of warranty, defect in the Goods, or any failure of the Goods to comply with Buyer's specifications or this Order; and (d) any claim that the Goods or any product incorporated in the Goods are defective or caused personal injury or property damage.

10. Confidentiality. Seller will not disclose, communicate or otherwise divulge to any person or entity, except Seller's employees who have a need to know in order to allow Seller to comply with its obligations under this Order and who have restrictions on disclosure and use at least as stringent as the ones set forth in this Order, any of Buyer's specifications, samples, drawings, financial data, business, marketing and engineering plans, customer-related information, designs, software, technology, trade secrets, know-how or the terms of this Order (collectively, "Confidential Information"). Seller will only use Confidential Information to comply with its obligations

under this Order and for no other purpose whatsoever. All Confidential Information will remain Buyer's property, and Seller will have no right, title or interest in any Confidential Information. At Buyer's request at any time, Seller will return all Confidential Information (in whatever original, digital or other form it may be) to Buyer or destroy the same and promptly certify to Buyer in writing it has done so. Seller will not use Buyer's name or the fact that Seller is selling Goods to Buyer in any press releases, media statements or public communications or otherwise publicize this Order without Buyer's prior written consent in each instance. Seller will not use Buyer's name, logos, trademarks, service marks, trade names or trade secrets in any way without Buyer's prior written consent in each instance, and Buyer will not be deemed to have granted Seller a license of, or granted Seller any rights in, any of the foregoing by issuing any Order. Buyer shall be entitled to injunctive relief for any violation of this Section.

11. Governing Law; Jurisdiction; Venue. This Order, the purchase and sale of any Goods and any dispute or controversy relating to or arising out of any of the foregoing shall be governed by South Carolina law, excluding its conflict of laws principles. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded and will not apply. Any action or proceeding relating to this Order or a breach of this Order shall be commenced and heard only in the United States District Court for the District of South Carolina or the courts of the State of South Carolina, and the parties consent and submit to the jurisdiction and venue of those courts.

12. General. Seller may not assign, delegate or subcontract all or any portion of this Order without Buyer's prior written consent, and any attempted assignment, delegation or subcontracting without that consent shall be void. The terms "including," "include" and "includes" shall not be construed to be limiting. If any provision of this Order is held to be invalid or unenforceable for any reason by a court of competent jurisdiction, the remainder of this Order shall remain in full force and effect and shall not be impaired or invalidated. Buyer and Seller are independent contractors, and nothing in this Order shall be construed as creating a partnership, joint venture, agency or fiduciary relationship between the parties. The remedies in this Order are cumulative and in addition to all rights and remedies at law and in equity. Any failure or delay by Buyer to exercise any of its rights under this Order shall not be construed as a waiver of such rights. Sections 3, and 5 through 12 of this Order will survive the termination of the Order for any reason. 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 amended or modified by a written agreement, signed by both parties.

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