

INTERNATIONAL TERMS AND CONDITIONS OF SALE

1. **General:** These Terms and Conditions shall supersede all other terms, understandings and customs inconsistent herewith. All terms and provisions contained in any purchase order or related document provided by Buyer that are inconsistent with these Terms and Conditions are hereby rejected.
2. **Basis of Contract:** An Order by the Buyer will constitute an offer to purchase the specified Goods in accordance with these Terms and Conditions. The Seller may accept or reject an Order at its discretion. The Buyer is responsible for ensuring that the information provided in the Order is complete and accurate. The Order will not be accepted by the Seller and a Contract shall not come into existence until the earlier of: the Seller's written acceptance of the Order, or delivery of the Goods by the Seller.
3. **Credit:** See quotation for terms.
4. **Taxes:** Prices do not include sales, use, excise or similar taxes, duties and fees, which shall be the sole responsibility of Buyer. If Seller should be required to pay such taxes, duties or fees invoices will be increased accordingly.
5. **Waiver:** Waiver by either party of any default by the other shall not be deemed to waive any subsequent default.
6. **Delivery:** Quotations and sales are Ex Works (EXW, as defined in INCOTERMS 2000) Seller's place of manufacture unless otherwise expressly stipulated.
7. **Shipments:** Seller's shipping dates are approximate and based on receipt of orders with complete information and authority to proceed with manufacture.
8. **Force Majeure:** Seller may, upon five (5) days' written notice to the Buyer, suspend performance of the Contract during the occurrence of a delay arising solely from causes or events beyond Seller's reasonable control (a Force Majeure Event), including acts of God, acts or omissions of Buyer or its contractors or suppliers, fire, war, strike, government acts or embargoes, insurrection, riot, loss or shortage of transportation facilities, lockout or commandeering of raw materials or products or plants or facilities by a government. If a Force Majeure Event occurs, the schedule for Seller's performance shall be extended by the amount of time lost by reason of the event plus such additional time as may be needed to overcome the effect of the event. In case of a Force Majeure Event that is reasonably expected to cause delivery of the Goods by Seller to be delayed for 90 days or more, Buyer or Seller may, by written notice delivered to the other party, cancel the Contract. If acts or omissions of the Buyer or its contractors or suppliers cause the delay, Seller shall also be entitled to an equitable price adjustment. In the event of a Force Majeure Event, Seller shall take commercially reasonable measures to mitigate the effects of the delay and to minimize the delay.
9. **Cancellation:** Contracts may not be cancelled, reduced, changed or suspended without Seller's written consent and payment of reasonable and proper cancellation charges.
10. **Warranty:** Goods furnished are guaranteed to be free from all latent defects in material and workmanship under normal use and service for a period of one (1) year from date of delivery to Buyer. However, Seller will not be obligated under the foregoing warranty beyond providing replacement goods for such goods as prove to be defective and shall have no obligation to pay costs of removal of defective goods or installation of replacement goods. Whether the goods are manufactured by Seller or by another, such replacement goods shall be Buyer's exclusive remedy and neither Seller nor the manufacturer shall be subject to any other or further liability and no claim for consequential, special, punitive or incidental damages will be allowed. The Seller will not be liable for any failure of the Goods to the extent caused by the Buyer's failure to comply with the Seller's instructions as to: (i) storage, installation, commissioning, use or maintenance of the Goods, or (ii) good practice in relation to the storage, installation, commissioning, use or maintenance of the Goods. NO OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, SHALL APPLY TO THE GOODS.
11. **Manufacturing Variations:** All goods shall be subject to normal manufacturing variations of Seller and its raw materials suppliers as recognized in the reinforced plastics industry. Seller reserves the right to change raw materials specifications and/or raw materials at any time and assumes no obligation to continue to supply any product, or products, previously sold.
12. **Limitation of Liability:** Without prejudice to clause 10 above, the Seller will not be liable for any: loss of profits or revenues; or loss of or damage to data information systems; or loss of contract or business opportunities; or loss of anticipated savings; or loss of goodwill; or any indirect, special or consequential loss or damage.

The Seller's total aggregate liability under or in connection with the Contract, whether arising in tort (including negligence), contract, or in any other manner will not exceed the value of the Contract.
13. **Contract:** The Contract shall be binding upon and inure to the benefit of the parties, their successors and assigns, provided that Buyer may not assign the contract without Seller's prior written consent.
14. **Tooling.** Tooling consists of a die and the in-feed system to the die which includes, but is not limited to, preformers, resin pans, guide plates and creels. When the Contract provides for a Buyer to purchase tooling the Buyer acquires ownership

of the die, but does not acquire ownership of any part of the in-feed system which is the proprietary property of the Seller and incorporates the confidential intellectual property of the Seller. Further, the proprietary and confidential intellectual property rights of the die and in-feed system are the property of Seller and Buyer acquires no intellectual or proprietary property rights in the die or the in-feed system. The Seller will use Buyer's die exclusively for Buyer unless otherwise authorized by the Buyer in writing. Dies inactive for a period of eighteen (18) months following the most recent order are subject to loss of exclusivity or other disposition by the Seller, without notice, at Seller's sole discretion.

15. **Prices:** Prices are set out in the Contract and are subject to any price variations as set out in this clause. Prices for undelivered portions of continuing orders under a Contract are subject to change whenever Seller's costs are affected by Federal or State legislation, changes in costs of raw materials, and/or labor rates, together with applicable overhead for such costs.
16. **Payment:** Payment: See Strongwell's Quotation for Payment Terms. Seller will add a four percent (4%) fee for all payments made by credit card. Where sums due under the Contract are not paid in full by the due date the Seller may, without limiting its other rights, charge interest on such sums at 1-1/2% per month. Interest will accrue on a daily basis, and apply from the due date for payment until actual payment in full.
17. **Quantity:** Seller reserves the right to deliver goods in quantities not to exceed 5% more or less than the quantity specified by Buyer. In the event of such variance, appropriate adjustments shall be made in the purchase price at prevailing prices.
18. **Patents:** Buyer shall hold Seller harmless against any claims, loss or expenses resulting from infringement of patents, copyrights or trademarks which may arise from compliance with Buyer's designs, specifications or instructions.
19. **Packaging:** Seller shall provide adequate packaging for all goods

shipped in accordance with recognized industry practice. The cost of all special packaging requirements of Buyer shall be paid by Buyer.

20. **Goods Returned:** Goods may not be returned without Strongwell's written permission unless otherwise agreed upon. Stock items, when returned, will be credited at lowest prevailing price, and subject to a minimum charge of 10% for handling and restocking. Return transportation charges must be prepaid. Non-standard or special items are not subject to cancellation, change, reduction in amount, nor return for credit without written consent and upon terms which indemnify us fully against loss. Only merchandise in resalable condition will be accepted.

21. **Dispute Resolution:**

- 21.1 In the event of a dispute arising out of or relating to this Contract (except where such disputes arise out of the actual or alleged infringement of the Seller's intellectual property rights), including any question regarding its existence, validity or termination, the parties shall first seek settlement of that dispute by mediation in accordance with the LCIA Mediation Rules, which Rules are deemed to be incorporated by reference into this Clause.

If the dispute is not settled by mediation within 7 days of the commencement of the mediation, or such further period as the parties shall agree in writing, the dispute shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Clause.

- (a) The language to be used in the mediation and in the arbitration shall be English.
- (b) The governing law of the contract shall be the substantive law of Virginia, USA.
- (c) In any arbitration commenced pursuant to this clause, the number of arbitrators shall be one; and the seat, or legal place, of arbitration shall be Bristol, Virginia, USA.

- 21.2 Notwithstanding the provisions of Clause 21.1, the Seller reserves the right to bring a claim or proceedings in respect of any actual or respect of the actual or alleged infringement of intellectual property rights set out at Clause 14 at any time.

All awards made pursuant to any arbitration proceeding conducted pursuant to this Clause shall be in U.S. dollars.

22. **California Prop 65:** Products provided by Seller may contain styrene and other substances listed under the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Prop 65) as either a carcinogen or a reproductive toxicant. Consequently, Buyer may be required to provide consumer warnings pursuant to Title 27, Section 25249.6 of the California Code of Regulations. The circumstances under which the warnings are to be provided, and the required content and format of the warnings, are described at 27CCR 25012-25904.

23. **Miscellaneous**

(a) **Notice.** Any notice to be served or given shall be in English and be deemed to have been given when delivered personally or sent by certified or registered mail, (postage prepaid), express delivery, teletype (with proof of reception) to Seller or to Buyer, as the case may be, at the respective addresses or fax number set forth in the quotation or such other address or fax number for which notice was given in the manner provided herein.

(b) **Entire Agreement.** The Contract comprising these Terms and Conditions, the Order and any acceptance in writing constitute the entire agreement between the parties concerning this subject matter, and supersedes and cancels all prior agreements, understandings and discussions between the parties, whether written, oral or implied. No modification, amendment, rescission or waiver of these Terms and Conditions, or any provision hereof, shall be binding on either party unless evidenced by an instrument in writing duly signed by an authorized representative of the party to be bound.

(c) **Severability.** In the event any word, phrase, clause, sentence or other provision of this Contract shall violate any applicable statute or rule of law in any particular circumstance or governing jurisdiction, such provision shall be ineffective to the extent of such violation, without in any way invalidating or affecting the enforceability of such provision in any other jurisdiction or circumstance or of any other provision of this Contract.

(d) **Governing Law.** The official language of these Terms and Conditions is English and the official version of these Terms and Conditions is the English version. The rights and obligations of the parties hereunder shall not be governed by the provisions of the 1980 U.N. Convention on Contracts for the International Sale of Goods or the related Convention on the Limitation Period in the International Sale of Goods; rather these rights and obligations shall be governed by and interpreted in accordance with the internal (but not the conflicts) laws of the Commonwealth of Virginia, including the provisions of the Virginia Uniform Commercial Code. Each party: (i) submits to the exclusive general jurisdiction of the Courts of the Commonwealth of Virginia, the Courts of the United States of America for the Western District of Virginia and any appellate courts from any decision thereof in any legal action Contract proceeding relating to this Agreement; (ii) consents that any such action or proceeding any be brought in such courts; (iii) waives any objection that he, she or it may have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in such or any inconvenient court and agrees not to plead or claim the same; and (iv) agrees that service of process in any such action or proceeding may be effected in accordance with the provisions of § 19(a) hereof, save in respect of claims and disputes dealt with under Dispute Resolution Clause 21. Any action arising hereunder or related in any way hereto against Seller shall be brought within one (1) year after the occurrence giving rise to the claim or be barred forever.