

GENERAL TERMS AND CONDITIONS OF PURCHASE

The following General Terms and Conditions of Purchase govern the purchase of all goods and services purchased by Cast Nylons Co., Ltd., an Ohio corporation ("Buyer"), from any seller thereof ("Seller") and apply notwithstanding any conflicting, contrary or additional terms and conditions in any quotation, confirmation form, acceptance invoice, bill of lading or other document or communication ("Invoice") from Seller. These General Terms and Conditions may only be waived or modified in a written agreement signed by an authorized representative of Buyer. Neither Buyer's acknowledgment of an Invoice nor Buyer's failure to object to conflicting, contrary or additional terms and conditions in an Invoice shall be deemed an acceptance of such terms and conditions or a waiver of the provisions hereof.

1. **ACCEPTANCE.** Purchase is expressly made conditional upon Seller's acceptance of these General Terms and Conditions, which shall constitute the complete and final agreement between the parties, superseding all other agreements written or oral. This order becomes a binding contract upon these General Terms and Conditions when accepted by Seller either by acknowledgment or commencement of performance. Goods received by Buyer from Seller shall be deemed to be delivered only upon these General Terms and Conditions.

2. **BILLING AND PAYMENT.** Seller must submit Invoices in a form acceptable to Buyer. Invoices covering shipments are to be accompanied by original and duplicate bills of lading or express receipts for shipments. All payments are made conditional and upon acceptance by Buyer of the goods called for hereunder. Buyer shall be entitled to offset against payments due pursuant to any Invoice any amount owed by Seller to Buyer or arising out of Buyer's claim for damages against Seller from this or any other transaction with Seller. Prices stated hereunder apply as a maximum to all shipments made or services rendered hereunder. Buyer shall have no obligation to honor invoices for goods or services at any increased price until such increase shall have been accepted and confirmed in writing by Buyer. Unless otherwise specified, there shall be no additional charges in excess of the prices stated hereunder.

3. **CHANGES.** Buyer may at any time make changes in (a) the method of shipment or packing, (b) drawings, design, or specifications, and (c) quantities of articles ordered. If any such change causes an increase or decrease in the cost of or the time required for, performance by Seller, an equitable adjustment shall be made. Seller's claim for such adjustment must be made within thirty (30) days from Seller's receipt of notice of the change. Nothing herein shall excuse Seller from processing the order as changed.

4. **DELIVERY AND PACKAGING.** The terms of delivery are as stated on the face of this order. The obligation of Seller to meet the delivery dates, specifications and quantities set forth herein is of the essence of this order. Deliveries are to be made both in quantities and at times specified herein, or, if not, such quantities and times are as specified pursuant to Buyer's written instruction. Unless otherwise herein agreed, Buyer will not accept COD shipments. Seller shall notify Buyer immediately of any delay in delivery or shipment. Shipments in greater or lesser quantity than ordered may be returned at Seller's expense, unless written authorization is issued by Buyer. If Seller's deliveries fail to meet schedule, Buyer, without limiting its other rights or remedies, may either direct expedited delivery at Seller's expense or cancel all or part of this order. Goods which are delivered in advance of schedule are delivered at the risk of Seller and may, at Buyer's option, (a) be returned at Seller's expense for proper delivery, (b) have payment therefor withheld by Buyer until the date that goods are actually scheduled for delivery, or (c) be placed in storage for Seller's account until delivery dates specified herein. All articles ordered shall be packed by Seller in suitable containers for protection in shipment and storage. Prices set forth in this order include all charges for Seller's packing and crating. Seller must pay transportation charges both ways on rejected material or equipment.

5. **ADVANCE MANUFACTURE.** Seller shall not manufacture or purchase or hold Buyer in any way accountable for purchase of raw materials in advance of its normal flow time or deliver any articles in advance of the delivery schedule set forth in this order or as modified by separate delivery schedule without Buyer's written permission.

6. **INDEMNITY.** Seller will indemnify and hold Buyer harmless against any liability, penalty loss, damage, expense, actions or causes of action resulting from personal injury, death or property damage arising from or in connection with Seller's performance of this order.

7. **ASSIGNMENT AND SUBCONTRACTING.** Seller will not assign or subcontract (in whole or in part) this order without Buyer's written consent.

8. **INSPECTION.** Articles ordered are subject to final inspection and approval by Buyer at its plant. Such final inspection and approval shall not be conclusive as regards latent defects, fraud or such gross mistakes as amount to fraud and shall not be deemed to alter or affect the obligations of Seller or the rights of Buyer under the clause hereof entitled "WARRANTY."

9. **WARRANTY.** Seller warrants that the goods and services furnished under this order: (a) shall be free of any defect in design, workmanship and material, and shall be merchantable and fit for the ordinary purposes for which such goods are intended; (b) shall be free from defects of title; (c) shall be of the kind and quality described in the specification, drawings, description or samples furnished; and (d) are produced and supplied in compliance with all applicable laws, statutes, rules, regulations and orders of the United States, or of any state or political subdivision thereof, including, but not limited to those pertaining to labor wages, hours and conditions or employment. This warranty shall run to Buyer, its customers and users of Buyer's products.

10. **PATENT INDEMNITY.** Seller warrants that the goods and services supplied hereunder do not and will not infringe on any United States or foreign patent, trademark or copyright. In case such goods or services now or in the future constitute patent, copyright or trademark infringement, Buyer may, at its sole option, pursue any remedy or remedies available at law or in equity, including, without limitation, requiring Seller to either procure for Buyer the right to continue using such goods, modify them so that they become non-infringing or remove them and refund the total purchase price thereof. Seller agrees to indemnify and save harmless Buyer and its customers from and against any and all liability, loss, damage, costs, or expense of whatsoever nature or character including reasonable attorney's fees whether incurred defending the claim or when enforcing Buyer's rights of indemnity, arising out of or occasioned by any claim or suit for damages, injunction or other relief, on account of the furnishing or use of any article, material, tool, appliance, method or process protected by patents, trademarks or copyrights of the United States, in performance of this order. Seller shall, at Buyer's request, but at Seller's expense, assume the defense of such claim, suit or process.

11. **REPRODUCTION RIGHTS.** Buyer does not grant or convey to Seller, by virtue of this order, any reproduction right in or to articles called for hereunder, or any right to use designs, drawings, or other information belonging to Buyer or its customers or supplied by or on behalf of Buyer for use in the performance of this order, in the production, manufacture or design of any articles for anyone other than Buyer.

12. **CANCELLATION.** Buyer may terminate this order at any time, in which event if there has not been a breach by Seller, it may pay to Seller the proportionate part of the purchase price representing goods previously delivered and accepted. Acceptance of any portion of the goods ordered shall not bind Buyer to accept any future shipment nor deprive Buyer of the right to revoke acceptance and return previously delivered goods, nor waive its right to reject future deliveries. Seller shall have no right to substitute for returned or rejected goods without Buyer's written instructions and agreement. Buyer shall not be liable for any consequential or incidental damages or the alleged loss under any claim for anticipated profits on the unfinished or unshipped portion of goods. Buyer expressly reserves all rights and remedies entitled to it under law or in equity.

13. **ADVERTISING.** Seller shall not, without first obtaining the written consent of Buyer, in any manner, advertise or publish the fact that Seller has contracted to furnish Buyer the material herein ordered, and for failure to observe this provision, Buyer shall have the right to terminate this without any obligations to accept deliveries after the date of termination or make further payment except for completed articles delivered prior to termination.

14. **CONFIDENTIALITY.** The parties acknowledge that in the course of this engagement they will have access to and be in possession of Confidential Information of the other. "Confidential Information," as used herein, shall mean information regarded by the disclosing party as confidential, including information relating to its past, present or future research, development or business affairs and any proprietary products, materials or methodologies. Each party shall hold in confidence, in the same manner as it holds its own Confidential Information of like kind, all Confidential Information of the other to which it may have access hereunder. Access to Confidential Information shall be restricted to those of the party's personnel with a need to know and engaged in a permitted use.

15. **LIMITATION OF LIABILITY.** Under no circumstances shall Buyer be liable for any anticipated profits or for incidental or consequential damages.

16. **MISCELLANEOUS.** Seller may not assign its rights hereunder or interest herein without the prior written consent of Buyer. These terms and conditions of sale shall be binding upon and inure to the benefit of Buyer and Seller, their successors and permitted assigns. This contract shall be governed by and construed under the laws of the State of Ohio, without regard to conflicts of laws principles thereof. No waiver by either party of any breach of these conditions shall constitute a waiver of any other breach. If any provision hereof is held to be invalid or otherwise unenforceable for any reason, all other terms and remaining conditions will continue to be in force.