

TERMS AND CONDITIONS OF PURCHASE

FLEXIAL CORPORATION

DEFINITIONS (Section 1)

The term "Terms and Conditions" means these Terms and Conditions for the Purchase of Goods and Services. The term "Order" means any written purchase order, release, contract or agreement which attaches, incorporates, or otherwise references these Terms and Conditions. The term "Contract" means these Terms and Conditions, together with any Order. The term "FLEXIAL" means Flexial Corporation, USA executing the Order. The term "Supplier" means any individual, corporation or other entity who is to supply Goods and Services purchased by FLEXIAL pursuant to this Contract. The term "Goods and Services" means the items described on an Order and purchased by FLEXIAL under this Contract.

OFFER/ACCEPTANCE (Section 2)

Commencement of performance of an Order shall constitute acceptance of this Contract by Supplier, provided that FLEXIAL may unilaterally cancel an Order without cost at any time prior to having received Supplier's written unqualified, unconditional acceptance hereof. Supplier's acceptance of this Order shall be unqualified, unconditional and subject to and expressly limited to these Terms and Conditions. FLEXIAL shall not be bound by any provisions additional to or at variance with these Terms and Conditions that may appear in Supplier's quotation, acknowledgment, confirmation, invoice or in any other communication from Supplier to FLEXIAL, unless such provision is expressly agreed to in a writing signed by an authorized agent of FLEXIAL. All previous offers by Supplier are hereby rejected by FLEXIAL. FLEXIAL acceptance of the Goods or Services shall constitute acceptance of such Goods or Services subject to the provisions hereof only, and shall not constitute acceptance of any counterproposal submitted by Supplier not otherwise accepted in a writing signed by an authorized agent of FLEXIAL. Upon acceptance, this Contract shall constitute the entire agreement between FLEXIAL and Supplier, and shall supersede all prior negotiations, discussions and dealings and this Contract may not be modified or rescinded except by a writing signed by both Supplier and FLEXIAL. Notwithstanding the above, the parties acknowledge and agree that in the interest of time, certain matters of a practical business nature, such as material and product releases, minor changes in delivery dates, shipment instructions, variances in the Order and the like may be sent by FLEXIAL to Supplier via electronic data interchange, e-mail or other written communication. The parties agree that such communications and any deliveries thereunder, shall constitute part of the Order and be subject to these Terms and Conditions.

PRICES/TAXES (Section 3)

All prices are firm, fixed and not subject to escalation. No additional charges will be allowed for import duties, transportation, packaging, returnable containers, and/or documentation unless otherwise agreed in writing between the parties. All sales, use, excise or similar taxes to be paid by FLEXIAL must be itemized separately on any proposal, quote or bid for the Goods or Services and on Supplier's invoices.

PAYMENT TERMS (Section 4)

Unless otherwise set forth in the Order, the payment terms are net ninety (90) days after receipt of the Goods (including all documents required in the Order), performance of the Services, verification that the quality of Goods or Services received meets FLEXIAL's specifications, and the receipt of a correct invoice. Supplier shall issue individual invoices for each shipment under an Order. If Supplier fails to ship the Goods or perform the Services in accordance with the times stipulated in the Order, FLEXIAL may delay payment equal to the number of days the Goods or Services were delayed by the Supplier as an equitable adjustment. FLEXIAL shall have the right at all times to set off any amount owing from Supplier to FLEXIAL or any of its affiliated companies against any amount payable by FLEXIAL to Supplier.

SUPPLIER'S PROPERTY (Section 5)

All necessary material or tools required to execute the Order shall be supplied by Supplier. If FLEXIAL agrees to pay for or furnish any material or tools, dies, gauges, jigs or fixtures in connection with the Order said items shall be identified by Supplier as the property of FLEXIAL, shall be segregated when practical, from Supplier's similar property and shall remain FLEXIAL's property and be used exclusively for FLEXIAL. Supplier will account for said items and keep them fully covered by insurance at all times without expense to FLEXIAL, and said items may be removed by FLEXIAL at any time and shall not otherwise be disposed of by Supplier without written permission from FLEXIAL. Supplier will maintain any said tools and similar equipment in good working condition and will return them to FLEXIAL on request or upon termination of the Order for which they were furnished.

DRAWINGS AND DATA (Section 6)

All drawings, data, designs, engineering instructions, models, specifications or other technical information, written, oral or otherwise, supplied by or on behalf of FLEXIAL or prepared by Supplier specifically in connection with performance of an Order (hereinafter "FLEXIAL Information") shall be and remain property of FLEXIAL. Supplier's use of such FLEXIAL Information shall be subject to Section 18 of these Terms and Conditions. Where such FLEXIAL Information is furnished to Supplier for procurement of supplies by Supplier for use in the performance of an Order, Supplier shall insert the substance of this provision in any purchase order or subcontract with its vendors or subcontractors.

CHANGES (Section 7)

FLEXIAL reserves the right at any time prior to shipment to make changes as to: (a) FLEXIAL Information, including the specifications of any Goods to be specifically manufactured for FLEXIAL; (b) methods of shipment or packing; (c) place of delivery, (d) schedule of delivery; and (e) size or amounts of the

quantities ordered. If any such change causes an increase or decrease in the cost of or the time required for performance of an Order, an equitable adjustment shall be made in the contract price or delivery schedule or both. Any claim by Supplier for adjustment under this clause shall be deemed waived unless asserted in writing within ten (10) days from receipt by Supplier of the change requested by FLEXIAL.

FLEXIAL may at any time by written order, stop all or any part of the work under an Order for a period of ninety (90) days. Upon receipt of a stop order, Supplier shall, to the extent directed by FLEXIAL (a) stop work and deliveries as directed, and place no further orders relating thereto; (b) terminate work and deliveries governed by the stop order; and (c) protect property in Supplier's possession in which FLEXIAL has or may acquire an interest. At any time during such ninety (90) day period FLEXIAL may, with respect to all or any part of the work covered under the stop order, either (i) cancel the stop order; or (ii) terminate the work in accordance with Section 14 of this Contract. To the extent the stop order is canceled or expires with respect to all or any part of the work, Supplier shall resume work. If a stop order has a material effect on the scheduled delivery of the Goods or Services, FLEXIAL will equitably adjust the delivery schedule, upon written request of FLEXIAL submitted within twenty (20) days after the stop order expires or is canceled, whichever first occurs.

DELIVERY (Section 9)

Time is of the essence. If Supplier does not comply with FLEXIAL' delivery schedule, FLEXIAL in addition to remedies provided by law, at its option, may either approve a revised delivery schedule or may terminate the Order and hold Supplier accountable for all losses and damages arising therefrom. Whenever any actual or potential delays may occur which threatens to delay the timely performance of Supplier, Supplier shall immediately give written notice (but in no event later than fifteen (15) days prior to the agreed upon delivery date) thereof to FLEXIAL. Supplier will endeavor at its cost to mitigate the effects of such delay including expediting delivery. FLEXIAL has the right, at any time, to change the place and/or time of delivery. Any claim by Supplier for adjustment because of a change in place and/or time of delivery will be deemed waived unless asserted in writing within ten (10) days after receipt by Supplier of the request for change. Supplier understands and agrees that if Supplier makes any commitments or production arrangements in excess of the amounts set forth herein or in advance of the time necessary to meet FLEXIAL delivery schedule, it does so at its own risk, and FLEXIAL shall have no liability to Supplier or any other party relating to same. Goods shipped in advance of the time required in this Order may, at FLEXIAL option, be returned to Supplier at Supplier's expense. FLEXIAL reserves the right to delay shipment of the Goods for up to thirty (30) days at no additional cost. If delivery is to be in accordance with FLEXIAL' written releases in relation to a blanket purchase order, Supplier shall not procure, fabricate, assemble or ship any goods except to the extent authorized by FLEXIAL in such written releases.

TRANSPORTATION/PACKAGING (Section 10)

Unless otherwise specified in an Order, all shipments originating in the USA and outside the USA and delivered to a FLEXIAL location within the USA shall be "DDP" (Delivered Duty Paid) in accordance with Incoterms 2010. Freight Terms for any shipments to locations outside the USA or to any location within the USA, other than a FLEXIAL location, shall be defined on the face of the Purchase Order. Supplier shall make no provision for transportation insurance when FLEXIAL is in control of the shipment and responsible for the freight charges, unless specifically authorized to do so in writing. No insurance charges will be allowed unless authorized in writing by FLEXIAL. Irrespective of the shipping terms, during the period that the Goods are in possession of Supplier, all risk of loss or damage to the Goods shall be on Supplier. Shipments must be packaged according to standard industry specifications, or if not covered in specifications, so as to permit efficient handling, provide adequate protection, and comply with requirements of carrier. Packing slips identifying the purchase order number, release number, and part number must accompany each shipment. Damages and costs incurred by FLEXIAL resulting directly or indirectly from improper packaging will be charged to Supplier. Unless otherwise agreed, no charges will be allowed for packaging, boxing, crating, returnable containers, drayage, cartage, demurrage, or dunnage. Supplier shall route shipment as instructed and shall consolidate all daily shipments to one destination on one bill of lading. Shipments sent "cash on delivery" without FLEXIAL' written consent will not be accepted and will be at Supplier's risk. Supplier is instructed to ship only the quantity(ies) specified in the Order. However, any deviation caused by conditions of loading, shipping, packing, or allowances in manufacturing processes may be accepted by FLEXIAL. If no allowance is shown, it shall be 0% (zero percent). FLEXIAL reserves the right to return, without liability, any over-shipment at the Supplier's expense.

INSPECTION AND REJECTION (Section 11)

All Goods and Services will be subject to inspection and rejection or acceptance by FLEXIAL during manufacture, after delivery at final destination and at such times as operating tests, if any, are required. FLEXIAL may also reject any Goods or Services found to be defective, nonconforming or failing to meet any of Supplier's warranties. Upon rejection, FLEXIAL may return such goods to Supplier, at Supplier's sole risk and expense, for rework or replacement, in which case Supplier agrees to ship conforming goods within ten (10) days of Supplier's receipt of the rejected goods or such longer period of time as may be agreed to by FLEXIAL in writing. If FLEXIAL determines, in its sole discretion, that Supplier is unable to rework or replace the Goods within the time required by FLEXIAL, FLEXIAL may: (a) rework or have another supplier rework the Goods, the cost of such rework to be paid by Supplier; or (b) return the Goods to Supplier for full credit and obtain replacement goods from an alternate source, at Supplier's expense; or (c) produce replacement goods, at Supplier's expense. All Services found to be defective, nonconforming or failing to meet any of Supplier's warranties shall be completely re-performed at Supplier's expense. FLEXIAL' rights of inspection and rejection are in addition to any other rights which it may have under Section 13 of these Terms and Conditions or otherwise.

QUALITY ASSURANCE (Section 12)

Supplier will maintain a quality assurance system which is adequate to detect and prevent shipment of nonconforming Goods or Services. FLEXIAL reserves the right to evaluate the adequacy of Supplier's quality assurance system. Upon request, Supplier shall provide FLEXIAL with appropriate quality assurance documentation, manuals or certifications. Supplier warrants to FLEXIAL and to FLEXIAL' customers for a minimum period of three (3) years (or such other period of time that the parties may agree to in an Order or other writing) that the Goods and Services furnished: (a) will be new, of good quality, free from defects in material, design and workmanship; (b) will conform to the specifications, drawings, or samples and are merchantable and suitable for their intended purpose(s) as represented to FLEXIAL; and (c) shall be free of any claim of any third party. All warranties shall succeed to FLEXIAL, its successors, assigns, and all persons and entities, including affiliates of FLEXIAL, to whom the Goods may be resold or leased or for whose benefit the Services may be performed. FLEXIAL' approval of Supplier's samples, prototypes or first articles shall not be construed as a waiver by FLEXIAL of any requirement of the FLEXIAL information applicable to the Order or of any express or implied warranty. In the event of Supplier's delivery of defective or

non-conforming items or Supplier's breach of warranty, FLEXIAL may, at its election and in addition to any other rights or remedies it may have at law or equity or under the Order, recover from Supplier any costs of removing such items from property, equipment or products in which such items have been incorporated and any additional costs of reinstallation, re-inspection and retesting and (i) return the items at Supplier's sole risk and expense and recover from Supplier the price paid therefore and, if elected by FLEXIAL, purchase or manufacture similar items and recover from Supplier the costs and expenses thereof; (ii) accept or retain the items and equitably reduce their price; or (iii) require Supplier, at Supplier's sole expense, to promptly replace or correct the items and pending redelivery, to repay FLEXIAL any amount Supplier's customer paid for such items. If Supplier fails to promptly replace or correct such items as directed by FLEXIAL, FLEXIAL may repair them or have them repaired at Supplier's expense or purchase or manufacture similar items and recover the costs and expenses thereof. In the event Supplier is required to replace or correct any component of any item pursuant to this Section 13, the running of the warranty period for the item of which the defective component is a part shall be suspended from the date Supplier receives notice of the breach of the warranty until the date the component is replaced or corrected. NONE OF THE REMEDIES AVAILABLE TO FLEXIAL FOR THE BREACH OF ANY OF THE FOREGOING WARRANTIES MAY BE LIMITED EXCEPT TO THE EXTENT AND IN THE MANNER AGREED UPON BY FLEXIAL IN A SEPARATE AGREEMENT SPECIFICALLY DESIGNATING SUCH LIMITATION AND SIGNED BY AN AUTHORIZED REPRESENTATIVE. All warranties and other provisions of this Section 13 will survive inspection or acceptance of, payment for, and use of the Goods and Services and completion, termination, or cancellation of this Contract.

TERMINATION AND CANCELLATION (Section 14)

(a) Termination for Convenience. FLEXIAL may terminate all or any part of this Contract or any Order at any time for any reason for its convenience by delivering written notice to Supplier ("Termination for Convenience"). Upon Termination for Convenience, FLEXIAL' liability shall not exceed the following amounts not previously paid for, without duplication: (i) services completed in accordance with this Contract prior to FLEXIAL' notice of Termination for Convenience; (ii) finished goods, which have passed final acceptance testing and are waiting to be delivered in accordance with this Contract prior to FLEXIAL' notice of Termination for Convenience; and (iii) the lesser of the fair market value or actual cost of work-in-process and raw materials to the extent that such costs are allocable to the terminated portion of this Contract; provided, however, that FLEXIAL shall make no payment for finished goods, work-in-process or raw materials that are damaged, or fabricated or procured by Supplier in amounts that exceed the amounts authorized in the Order, or undelivered products that are readily usable or resalable. FLEXIAL shall not be required to make payments to Supplier for loss of anticipated profit, unobserved overhead, interest on claims, unamortized depreciation, or general administrative burden charges, or similar items. Supplier will submit as soon as possible, but in no event later than thirty (30) days from the date of the Termination for Convenience, satisfactory evidence of the amount on which Supplier is seeking to collect reimbursement. Failure to submit such evidence shall constitute a waiver for reimbursement by Supplier. FLEXIAL may notify Supplier that all right, title and interest in and to all or any portion of materials for which reimbursement is made by FLEXIAL hereunder, shall immediately pass to FLEXIAL. At FLEXIAL' request, Supplier shall prepare the materials for, and will hold materials in trust for FLEXIAL, until disposition directions are received from FLEXIAL. FLEXIAL shall have the right to enter upon the premises where such materials are located and take possession thereof. Termination for Convenience shall not be deemed a breach of contract, and shall not limit or affect the right of FLEXIAL to terminate this Contract or any Order for cause. (b) Termination for Cause. FLEXIAL has the right to cancel or terminate this Contract or any Order, in whole or in part, without liability to Supplier if: (i) the Goods or Services furnished do not conform to FLEXIAL' specification or requirements; (ii) Supplier fails to make deliveries within the time specified in the Order; (iii) Supplier breaches any other term or condition of this Contract or takes or fails to take action that, in FLEXIAL' sole discretion, creates a reasonable possibility that Supplier will not timely fulfill its obligations under this Contract or any Order and does not correct such breach, failure or action, within ten (10) days (or such shorter period of time as is commercially reasonable under the circumstances) after receipt of written notice from FLEXIAL specifying such breach, action, or failure; (iv) any representation by Supplier proves to have been false or misleading in any material respect; or (v) Supplier is insolvent, a petition is filed for reorganization of Supplier or for its adjudication as a bankrupt, Supplier makes an assignment for the benefit of creditors, a receiver or trustee is appointed for any of Supplier's assets, or any other type of insolvency proceeding or formal or informal proceeding for the dissolution, liquidation or winding up of affairs of Supplier is commenced. In the event of a termination under this subsection (b), FLEXIAL shall have the right, in addition to its other rights and remedies provided at law or in equity to: (i) refuse to accept delivery of Goods and/or performance of Services; (ii) within one (1) year after delivery return to Supplier at Supplier's expense any Goods or Services already delivered or performed and, at FLEXIAL' option, either recover all payments made therefore and expenses incident thereto, or, at Supplier's expense, to receive replacement therefore (except that the rights set forth in this subsection (b) (ii) shall not be available upon any termination by FLEXIAL because of the occurrence, alone, of any of the events set forth in (v) above); (iii) recover any advance payments to Supplier for undelivered or returned Goods and/or Services not fully performed; and (iv) purchase elsewhere and to charge Supplier with any loss incurred as a result thereof. FLEXIAL' right to return Goods is not affected by an assignment by Supplier of monies due or to become due hereunder. If FLEXIAL terminates or cancels this Contract, or any Order, for cause, and it is later determined that the cancellation for cause was not warranted, the termination or cancellation will be deemed one for convenience pursuant to the terms of this Contract. (c) No Waiver of Rights or Remedies. No termination shall act as or deemed to be a waiver by FLEXIAL of any other right or remedy it may have at law, in equity, or under this Contract. The rights and obligations under this Section 14 shall survive the termination or expiration of this Contract. Supplier will defend (using counsel acceptable to FLEXIAL), indemnify and hold harmless FLEXIAL, its directors, officers, employees, agents, successors, assigns, customers and users of the Goods and Services from and against any and all losses, expenses, damages, claims, suits and liabilities (including incidental and consequential damages, court costs and attorneys' fees) (collectively, "Damages") arising as a result of any claim that the manufacture, use, sale or resale of any items infringes any patent, utility model, industrial design, copyright or other intellectual property right in any country. Supplier's obligations under the preceding sentence will apply even though FLEXIAL furnishes all or any portion of the design of or specifies all or any portion of the processing for the Goods and Services. If the sale and/or use of the items is enjoined or, in FLEXIAL' sole judgment, is likely to be enjoined, Supplier will, at FLEXIAL' election and Supplier's sole expense, procure for FLEXIAL the right to continue using such items, replace same with equivalent non-infringing items, modify such items so they become non-infringing, or remove same and refund the purchase price, including transportation, installation, removal and other charges incidental thereto. If any settlement of a claim requires an affirmative obligation (other than ceasing use of the Goods or Services) of, results in any ongoing liability to or prejudice or detrimentally impacts FLEXIAL in any way, then such settlement shall require FLEXIAL' prior written consent and FLEXIAL may have its own counsel in attendance at all proceedings and substantive negotiations relating to such Damages. Supplier's obligations under this Section 15 are in addition to Supplier's warranty obligations and all other rights or remedies of FLEXIAL and will survive acceptance and use of, and payment for, the Goods and Services, and completion, termination, or cancellation of this Contract.

GENERAL INDEMNIFICATION (Section 16)

Supplier will defend (using counsel acceptable to FLEXIAL), indemnify and hold harmless FLEXIAL, its directors, officers, employees, agents, successors,

assigns, customers and users of the Goods and Services from and against any and all Damages arising as a result of actual or alleged breach of any these Terms and Conditions or arising under any strict liability or negligence claims premised on either an actual or alleged defect in the Goods and Services or by reason of or on account of property damage, death and personal injury of whatsoever nature or kind arising out of, as a result of, or in connection with the performance of this Contract which is occasioned by the acts or omissions of Supplier or its Suppliers or subcontractors. If any settlement of a claim requires an affirmative obligation of, results in any ongoing liability to, or prejudice to, or detrimentally impacts FLEXIAL in any way, then such settlement shall require FLEXIAL' prior written consent and FLEXIAL may have its own counsel in attendance at all proceedings and substantive negotiations relating to such Damages. Supplier's indemnification obligations under this Section 16 shall survive acceptance and use of, and payment for, the Goods and Services, and completion, termination, or cancellation of this Contract.

INSURANCE (Section 17)

Supplier agrees to maintain the following types of insurance coverage: (a) Workers' Compensation Insurance or qualification as a self-insurer to satisfy the laws of the states which have jurisdiction over Supplier's employees; (b) Employers' Liability Insurance for Bodily Injury per accident with limits of not less than \$1,000,000 and Bodily Injury by Disease with limits of not less than \$1,000,000 per policy; and (c) Commercial General Liability Insurance for bodily injury, personal injury and property damage, including coverage for products/completed operations and contractual liability, with combined limits of not less than \$5,000,000 per occurrence. Upon FLEXIAL' request, Supplier will provide FLEXIAL with written certification, reasonably acceptable to FLEXIAL, certifying that: (i) the required insurance coverages are in effect and will not be canceled or materially changed until thirty (30) days after prior written notice has been delivered to FLEXIAL; (ii) FLEXIAL is designated as an additional insured on Supplier's Commercial General Liability policy; and (iii) all of Supplier's insurance identified herein will be primary and not contributory or excess of any other insurance carried by or on behalf of FLEXIAL. Supplier may satisfy the limits of insurance required herein with any combination of primary and umbrella/excess insurance policies. Under the policies described in this Section 17, Supplier agrees to waive and will require its insurers to waive any right of subrogation or recovery they may have against FLEXIAL. The insurance requirements in this Section 17 are separate and distinct from any other obligations of Supplier contained herein, and neither the issuance of any insurance policy nor the minimum limits specified herein will be deemed to limit or restrict in any way Supplier's liability arising under this Contract. Supplier's obligations under this Section 17 shall survive the completion, termination, or cancellation of this Contract.

CONFIDENTIALITY (Section 18)

Except as otherwise specifically agreed, all FLEXIAL Information disclosed to the Supplier shall be FLEXIAL' property and shall be held in confidence by Supplier and used solely for the performance of an Order. Supplier shall take all reasonable precautions (a) to disclose such FLEXIAL Information within Supplier's organization only to those employees and agents who have a need to know in order to fulfill Supplier's obligations hereunder and who have agreed to keep the FLEXIAL Information confidential, and (b) to prevent any such Information from being divulged to third persons not employed by Supplier, including having recipients acknowledge the confidential status of such FLEXIAL Information and agreeing to similar restrictions. This obligation of confidence shall survive termination of an Order and will continue for five (5) years thereafter, or for as long as the FLEXIAL Information remains a trade secret, whichever is longer.

COMPLIANCE WITH LAWS (Section 19)

Supplier certifies and represents that in the performance of this Order, it will comply with the provisions of all applicable federal, state and local laws, regulations, rules and orders. In case Supplier acts against the law repeatedly and/or despite relevant notification to this effect and does not prove that the breach of law was remedied as much as possible and that appropriate provisions were taken for future avoidance of breaches of law, FLEXIAL reserve the right to withdraw from existing contracts or to end these without previous notice. Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations"). Supplier shall advise FLEXIAL in writing within two weeks of receipt of an Order, and in case of any changes without undue delay, of any information and data required by FLEXIAL 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); and the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding; and classification for foreign trade statistics and the HS (Harmonized System) coding; and the country of origin (non-preferential origin); and upon request of FLEXIAL, Supplier's declaration of preferential origin (in case of European Suppliers) or preferential certificates (in case of non-European Suppliers). Supplier shall be liable and indemnify FLEXIAL for any expenses and/or damages incurred by FLEXIAL due to Supplier's breach of its obligations as stated in this Section 20. The Goods or Services purchased under this Contract must be in conformance with national and international foreign trade and customs requirements, including any embargos, sanctions or directives, or this Contract may be subject to immediate termination by FLEXIAL.

SUPPLIER ISF NOTIFICATION REQUIREMENTS (Section 21)

All ocean vessel shipments destined for United States ports will require the Supplier to submit the appropriate information in support of the US Importer Security Filing (ISF) requirement, also known as 10+2. Supplier shall provide a complete and accurate ISF Notification to the ISF filing agent identified by FLEXIAL a minimum of seventy-two (72) hours (weekends/holidays included) before vessel loading. This is necessary for FLEXIAL to meet the requirements of US Customs Border Protection (CBP). If Supplier should learn that the ISF Notification submitted was inaccurate, Supplier shall notify FLEXIAL' ISF filing agent immediately. Supplier's failure to provide complete and accurate information 72 hours prior to vessel loading may result in delays and/or CBP liquidated damages (up to \$5,000 per filing) charged to FLEXIAL. In addition, these delays may impact subsequent logistics execution causing possible additional detention or liquidated damages, also charged to FLEXIAL. Any liquidated damages, penalty, fine, detention cost or other cost or expense incurred by FLEXIAL as a result of Supplier's noncompliance with this ISF Notification requirement will be charged back to the Supplier.

SUPPLIER SUBSTANCE DECLARATION REQUIREMENTS (Section 22)

Should Supplier deliver legally permissible Goods, which are, however, subject to applicable statutorily-imposed substance restrictions and/or information requirements (for example, SARA, TSCA, REACH & RoHS in the European Union or other similar United States laws or regulations). Supplier shall declare such substances in writing to FLEXIAL no later than the date of first delivery of the Goods. Furthermore, Supplier shall also declare all substances

applicable at the time of delivery in the manner described above. The foregoing shall apply with respect to laws or regulations applicable at the principal office of Supplier, principal office of FLEXIAL and/or place of delivery designated by FLEXIAL. Should a delivery contain dangerous goods, as classified as such pursuant to applicable laws or regulations, Supplier will inform FLEXIAL in a form to be agreed upon, but not later than the date of order confirmation.

NOTICE (Section 23)

Any notice required or permitted hereunder shall be in writing and shall be sufficiently given when either: (a) hand-delivered; (b) faxed; (c) mailed postpaid first class registered or certified mail; or (d) delivered to a commercial overnight courier service (e.g., FedEx), and addressed to the party for whom it is intended at its record address, and such notice shall be effective as of the date it is deposited in the mail or delivered to the overnight courier service. The record address of each party for this purpose is its address set forth in the Order, and the recipient shall be the duly authorized representatives who executed the Order.

FORCE MAJEURE (Section 24)

Neither party shall be liable for any delay or failure to perform its obligations under this Contract arising out of circumstances beyond its reasonable control, including acts of God, fires, war, insurrection or riot, or acts of military authority, provided that the party provides notice to the other in writing of the delay or non-performance event within five (5) days of its commencement. FLEXIAL may extend the delivery schedule to accommodate the delay or non-performance; however, should said event continue during the term of the Order for a cumulative total of thirty (30) days or more, FLEXIAL may cancel the Order effective immediately upon written notice to Supplier, and FLEXIAL's only obligation to Supplier shall be to pay the actual cost of the Goods and Services actually completed and delivered to FLEXIAL.

SAFETY IN SUPPLY CHAIN, ENVIRONMENTAL PROTECTION (Section 25)

Supplier undertakes to adhere to the relevant legal regulations with regard to treatment of staff, environmental protection, and work safety, and to do his utmost to minimize negative impacts on humans and the environment in his activities. In order to do this, the supplier will install and develop further a management system according to ISO 14001 within the range of his capabilities. Moreover, Supplier will consider the following basic principles: the protection of international human rights, the elimination of compulsory labor and child labor, the elimination of discrimination in hiring and providing work, responsibility towards the environment, and the prevention of corruption.

Supplier shall carry out the required organizational instructions and measures in order to ensure safety in the supply chain according to internationally recognized initiatives on the basis of the WCO SAFE Framework of Standards (e.g. AEO, C-TPAT), especially in the area of property protection, protection of business partners, human resources and information, and packaging and transport. He shall protect his deliveries and services to us or to third parties determined by us against unauthorized access and manipulations. He shall exclusively employ reliable staff for deliveries and services and obliges possible sub suppliers to also provide for such measures.

The validity, interpretation, and performance of this Contract shall be governed by the laws of the State of Georgia excluding the conflict of law provisions. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are expressly disclaimed and shall not apply.

NONWAIVER; REMEDIES (Section 27)

Any waiver or failure of FLEXIAL to require strict compliance with the provisions of the terms of this order in any respect must be in writing and shall not be deemed a waiver of FLEXIAL's right to insist upon strict compliance thereafter. FLEXIAL retains all rights and remedies granted to it by operation of law, or in equity, in addition to those set forth herein.

ASSIGNMENT (Section 28)

Neither this Contract, nor Supplier's rights and obligations hereunder, are assignable by Supplier without the prior written consent of FLEXIAL. No such consent or assignment will release Supplier or change Supplier's liability to perform all of its obligations under this Contract. Any attempted assignment without the prior written consent of FLEXIAL will be null and void.

SEVERABILITY (Section 29)

If any provision of this Contract is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.