

Prufrex USA, Inc.
TERMS AND CONDITIONS OF SALE

§ 1 PURCHASE ORDERS: All purchase orders placed on behalf of Buyer shall constitute the Buyer's irrevocable commitment and obligation to purchase the products identified thereon in the indicated quantities at the price(s) set forth in PRUFREX's written quotation or, if there is no such quotation, at the price(s) set forth in PRUFREX's price list then in effect. Buyer's purchase order shall be subject to acceptance or non-acceptance by PRUFREX, in its sole and absolute discretion, at its office in Virginia Beach, Virginia, within two (2) weeks following PRUFREX's receipt of the purchase order. No terms, stipulations or conditions set forth in a Buyer's purchase order or other document furnished by Buyer shall be binding on PRUFREX unless expressly and specifically accepted by PRUFREX in writing. Any terms, stipulations or conditions set forth in a purchase order or other document furnished by Buyer that are different from, or in addition to, any of the terms, stipulations or conditions set forth in these Terms and Conditions are hereby objected to by PRUFREX, and all such different or additional terms, stipulations or conditions shall be null, void *ab initio* and of no effect unless expressly and specifically agreed to in writing by PRUFREX. PRUFREX reserves the right to terminate or cancel, in whole or in part, any purchase order at any time prior to shipment of the products covered by such purchase order. Buyer shall comply with any requirements established by PRUFREX from time to time concerning the minimum or maximum volume of products that may be purchased under any single purchase order.

§ 2 PRICES: Except as otherwise agreed in writing by PRUFREX, the prices for PRUFREX's products sold to Buyer shall be those set forth in PRUFREX's price list as in effect on the date PRUFREX accepts Buyer's purchase order. Provided, however: (a) with respect to products to be delivered by PRUFREX more than two (2) months after such purchase order acceptance date, PRUFREX may, by written notice to Buyer, increase the price to reflect any increase in PRUFREX's cost of raw materials or components over such costs on the purchase order acceptance date and (b) if the price increase is greater than five percent (5%) over the price in effect on the purchase order acceptance date, Buyer may cancel its purchase order by giving PRUFREX written notice of cancellation within five (5) business days following the date of PRUFREX's notice of the price increase.

§ 3 SHIPPING, INSURANCE AND RISK OF LOSS: Except as otherwise agreed in writing by PRUFREX, all prices established for PRUFREX's products shall be F.O.B. PRUFREX's plant in Virginia Beach, Virginia, U.S.A. (i.e., "Ex-Works" under INCOTERMS). Except as otherwise agreed in writing by PRUFREX, PRUFREX's quoted prices shall not include: (a) charges for freight, insurance or other costs incurred in connection with shipment of products or (b) any sales, use, value added, excise, gross receipts or similar taxes, all of which costs and charges shall be paid by Buyer. All risk of loss or damage to PRUFREX's products shall pass to Buyer upon transfer of PRUFREX's products to the carrier at the

agreed shipping point. If PRUFREX arranges carriage and/or insurance with respect to any shipment, then all costs and charges associated therewith shall be included in PRUFREX's invoice to Buyer and shall be payable by Buyer in accordance with these Terms and Conditions.

§ 4 ALLOCATIONS AND MODIFICATIONS: PRUFREX reserves the right to allocate its inventory of products in such a manner as it may from time to time, in its sole and absolute discretion, determine, and PRUFREX will not be liable for any delay in filling, or any failure to fill, any purchase order due to shortage of any products or allocation of PRUFREX's products among purchasers. Buyer shall accept, and PRUFREX shall be under no obligation to notify Buyer concerning, modifications of PRUFREX's products that PRUFREX, in its reasonable discretion, determines are necessary to comply with changes in applicable regulatory requirements, technical standards or product certification criteria.

§ 5 FORCE MAJEURE: PRUFREX shall not be responsible or liable for any failure to perform, or any delay in supplying if occasioned in whole or in part by act of God or the public enemy, fire, explosion, perils of the sea, flood, drought, war, riots, civil insurrection, sabotage, accident, embargo, governmental priority, requisition or allocation or any action of any governmental authority (or any refusal of such governmental authority to provide necessary authorization), or shortage or failure of supply, materials, fuel, transportation or labor, or strikes or other labor trouble, or any occurrence, act, cause or thing beyond the reasonable control of PRUFREX, all of which shall excuse any failure or delay on the part of PRUFREX, and PRUFREX shall have no obligation or liability whatsoever arising out of or in connection with any such failure or delay. PRUFREX shall notify Buyer following the occurrence of any such event of force majeure and estimate the length of time of the resulting delay. If such delay is expected to last, or actually lasts, longer than four (4) weeks, then PRUFREX shall have the right to cancel Buyer's purchase order, without further liability to Buyer.

§ 6 DELIVERY DATE; PARTIAL DELIVERIES: Any delivery date agreed to by PRUFREX shall be deemed to be an estimated delivery date only. PRUFREX shall not be liable for any loss or damages allegedly caused by failure to make any delivery of a purchase order (or portion thereof) when due. Without limitation of the foregoing, PRUFREX is not responsible for any delay in shipment or delivery of its products occurring after such products are transferred to the carrier. Partial deliveries shall be permitted. Buyer shall be in default of its obligations hereunder should Buyer fail to accept a partial delivery and/or fail to accept the balance of the products specified in its purchase order within such reasonable additional period of time as may be designated by PRUFREX, by written notice to Buyer.

§ 7 INSPECTIONS; TESTING: Buyer may reject and return products for nonconformity with its purchase order only by (a) giving written notice and reasonable proof of the nonconformity within ten (10) days after PRUFREX's delivery of the products to the carrier at the agreed shipping point and (b) affording PRUFREX or its agent reasonable access to

the products and a sufficient opportunity to verify the claimed nonconformity. If Buyer fails to reject any products in accordance with the preceding sentence, then Buyer may not return such products without PRUFREX's prior written authorization. With respect to authorized returns, PRUFREX shall arrange and pay the cost of the freight and insurance for the returned and replacement products but Buyer shall bear all risk of loss or damage to (a) the returned products until such products are received by PRUFREX and (b) the replacement products from the time of PRUFREX's delivery of the replacement products to the carrier, FOB PRUFREX's plant in Virginia Beach, Virginia. Products with technical characteristics that fall within tolerances customarily observed in the industry, as may be reflected in any applicable ISO standard, shall be accepted by Buyer. For the sake of total clarity, for so long as PRUFREX's products do not deviate by more than ten percent (10%) from the weights and other technical dimensions advertised by PRUFREX, then such products shall be deemed to conform to the requirements of the purchase order. If Buyer and PRUFREX have agreed to conduct acceptance testing of any products ordered by Buyer, then such testing (a) shall occur at PRUFREX's premises, at Buyer's expense, and (b) shall determine whether the products satisfy applicable regulatory requirements, technical standards or product certification criteria agreed upon by the parties prior to such testing. Buyer shall consummate the purchase of all products that are shown to satisfy such agreed-upon requirements, standards and/or criteria.

§ 8 PAYMENT: Except as otherwise agreed in writing by PRUFREX, all payments by Buyer to PRUFREX shall be made, without setoff or other reduction, by the due date or dates specified by PRUFREX in connection with any purchase order. If PRUFREX agrees to ship any products prior to payment in full Buyer shall pay at PRUFREX's offices in Virginia Beach, Virginia U.S.A., in full any and all amounts owed with respect to such shipment of products within thirty (30) days of the invoice date. If payment is not received within thirty (30) days of the invoice date, interest shall accrue from the invoice date on the unpaid amount(s) at the monthly rate of one and one-half percent (1.5%), or at the maximum rate allowed by applicable law, whichever rate is less.

§ 9 NO OFFSET: Buyer agrees not to make any deductions of any kind from the purchase price or any payments coming due to PRUFREX unless Buyer shall have received an official credit memorandum from PRUFREX authorizing such deduction.

§ 10 PURCHASE MONEY SECURITY INTEREST: Buyer hereby grants to PRUFREX a purchase money security interest in the PRUFREX products identified in any purchase order, and in all accessions and additions thereto, and in all products and proceeds thereof, as security for the full and prompt payment of all amounts at any time owed by Buyer to PRUFREX. Buyer hereby authorizes PRUFREX to file any and all UCC financing statements as PRUFREX shall deem necessary or appropriate to evidence or perfect this security interest. Upon default by Buyer in the timely payment of any and all amounts due with respect to any of PRUFREX's products, PRUFREX shall be entitled to exercise all the

remedies of a secured party under the Uniform Commercial Code. In addition thereto, upon Buyer's default, PRUFREX shall have the right to enter the Buyer's premises and remove PRUFREX products therefrom, with or without judicial process.

§ 11 DISCLAIMER OF WARRANTY: EXCEPT AS SET FORTH IN ANY WRITTEN EXPRESS LIMITED WARRANTY ISSUED BY PRUFREX IN RESPECT OF ANY PARTICULAR PRODUCT(S): (A) PRUFREX MAKES NO WARRANTIES WITH REGARD TO ITS PRODUCTS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE, OR ANY WARRANTY AGAINST INFRINGEMENT SUCH AS PROVIDED IN ARTICLE 2-312(3) OF THE UNIFORM COMMERCIAL CODE AND/OR ANY COMPARABLE STATUTE OR LAW THAT MAY GOVERN THE SALE OF GOODS; AND (B) NONE OF THE DOCUMENTS, DATA, OR INFORMATION FURNISHED BY PRUFREX WITH RESPECT TO THE DIMENSIONS, WEIGHT, MATERIALS, USE, FUNCTIONALITY OR OTHER TECHNICAL CHARACTERISTICS OF ITS PRODUCTS SHALL CONSTITUTE A WARRANTY OR OTHER BINDING OBLIGATION OF PRUFREX. PRUFREX DOES NOT GUARANTEE, WARRANT OR OFFER ANY PATENT PROTECTION TO BUYER ON ANY OF PRUFREX'S PRODUCTS, AND PRUFREX SHALL NOT BE LIABLE OR IN ANY WAY RESPONSIBLE TO BUYER BECAUSE OF ANY ALLEGED INFRINGEMENTS OF PATENT RIGHTS IN CONNECTION WITH THE SALE OR USE OF ANY OF PRUFREX'S PRODUCTS.

§ 12 MISUSE: PRUFREX SHALL HAVE NO LIABILITY OR OBLIGATION TO BUYER WITH RESPECT TO ANY OF PRUFREX'S PRODUCTS WHICH HAVE BEEN SUBJECT TO ABUSE, MISUSE, IMPROPER USE, NEGLIGENCE, ACCIDENT, MODIFICATION, ALTERATION, TAMPERING, FAILURE TO FOLLOW NORMAL OPERATING PROCEDURES, ATTEMPT TO REPAIR BY UNQUALIFIED PERSONNEL, ANY SALE, USE OR OPERATION SUCH PRODUCTS OUTSIDE THEIR NORMAL ENVIRONMENT, OR ANY ALTERATION OF ANY LITERATURE WITH RESPECT TO SUCH PRODUCTS.

§ 13 EXCLUSIVE REMEDY: THE SOLE AND EXCLUSIVE REMEDY AGAINST PRUFREX FOR ANY DEFECTIVE PRODUCT DELIVERED TO BUYER IN BREACH OF PRUFREX'S EXPRESS LIMITED WARRANTY (IF ANY) SHALL BE, IN PRUFREX'S SOLE AND ABSOLUTE DISCRETION, EITHER REPAIR OF THE DEFECTIVE PRODUCT, REPLACEMENT OF THE DEFECTIVE PRODUCT, OR RETURN OF SAME FOR REPAYMENT OF THE PURCHASE PRICE.

§ 14 NO RESELLER WARRANTY: BUYER SHALL NOT MAKE OR EXTEND ANY WARRANTIES OR REPRESENTATIONS CONCERNING THE QUALITY OR CAPABILITY OF ANY OF PRUFREX'S PRODUCTS TO ANY PERSON OR ENTITY EXCEPT AS AUTHORIZED IN PRUFREX'S WRITTEN EXPRESS LIMITED WARRANTY (IF ANY) ISSUED IN CONNECTION WITH THE PRODUCTS IN QUESTION. BUYER SHALL INDEMNIFY AND HOLD PRUFREX HARMLESS AGAINST ALL CLAIMS,

SUITS, EXPENSES, LOSSES, COSTS AND LIABILITY (INCLUDING ATTORNEYS' FEES) INCURRED BY PRUFREX ARISING OUT OF OR RESULTING FROM ANY BREACH OF THIS PARAGRAPH.

§ 15 RETURN OF DEFECTIVE PRODUCTS: IF BUYER CLAIMS THAT ANY PRODUCTS ARE DEFECTIVE IN BREACH OF PRUFREX'S EXPRESS LIMITED WARRANTY OBLIGATIONS (IF ANY), BUYER MAY NOT RETURN ANY PRODUCTS TO PRUFREX WITHOUT PRIOR WRITTEN AUTHORIZATION FROM PRUFREX. PRUFREX SHALL BEAR THE EXPENSE OF FREIGHT AND INSURANCE ARRANGED BY PRUFREX FOR THE AUTHORIZED RETURN AND REPLACEMENT OF DEFECTIVE PRODUCTS, BUT BUYER SHALL BEAR THE RISK OF LOSS OR DAMAGE TO (A) THE RETURNED PRODUCTS UNTIL THEY ARE RECEIVED AT PRUFREX'S VIRGINIA BEACH, VIRGINIA PLANT AND (B) THE REPLACEMENT PRODUCTS FROM THE TIME OF PRUFREX'S DELIVERY THEREOF TO THE CARRIER, FOB PRUFREX'S PLANT IN VIRGINIA BEACH, VIRGINIA. EVEN IF BUYER HAS A VALID CLAIM WITH RESPECT TO A DEFECTIVE PRODUCT, PRUFREX SHALL NOT HAVE ANY WARRANTY LIABILITY OR OTHER OBLIGATION IN RESPECT OF SUCH DEFECTIVE PRODUCT UNLESS BUYER DELIVERS WRITTEN NOTICE THEREOF TO PRUFREX PRIOR TO THE END OF THE WARRANTY PERIOD SET FORTH IN PRUFREX'S EXPRESS LIMITED WARRANTY.

§ 16 LIMITATION OF LIABILITY: The damages recoverable by Buyer against PRUFREX for any claim of any kind whatsoever arising from or in any way connected to any PRUFREX products, or the purchase, sale, condition or use thereof, regardless of the legal theory, shall not be greater than the actual purchase price of the products paid by Buyer with respect to which such claim is made. In no event shall PRUFREX be liable for any special, indirect, or incidental or consequential damages of any kind, including but not limited to any damages with respect to loss of income, loss of expected or prospective profits, any loss caused by delay, any expenditures, investments or commitments of Buyer, any loss with respect to Buyer's establishment, development or maintenance of business reputation or goodwill, any loss incurred by Buyer in obtaining substitute products, or any liability, loss or expense of Buyer arising from the claims of third parties such as, but not limited to, customers of Buyer.

§ 17 LIMITATION PERIOD: Buyer must give PRUFREX a written demand to arbitrate any claim or cause of action related to the sale, purchase, condition or use of any PRUFREX products within twelve (12) months from the date when such claim or cause of action accrues. The failure by Buyer to initiate arbitration in accordance with the preceding sentence shall constitute an absolute bar to such claim or cause of action.

§ 18 TECHNICAL SUPPORT: PRUFREX will exercise its best reasonable efforts to provide technical support and advice to the Buyer by telephone and electronic mail, without charge, and with a response time comparable to the technical support furnished

to its other valued customers. PRUFREX's response time may be affected by the volume of inquiries received. In no event shall PRUFREX incur any liability to Buyer based, in whole or in part, on the timing, accuracy or effectiveness of any such technical support or advice.

§ 19 PROTECTION OF INTELLECTUAL PROPERTY: PRUFREX retains all right, title, interest, claim and ownership in and to any and all samples, drawings, models, technical data, computer code, specifications or documents furnished by PRUFREX to Buyer. Buyer shall not attempt to disassemble, reverse engineer, or decompile any of the computer code or other data furnished by PRUFREX. Buyer shall not reproduce, modify or distribute any documents furnished by PRUFREX regarding its products without PRUFREX's prior written consent. Buyer shall maintain all such samples, drawings, models, technical data, specifications and documents in strictest confidence and shall not transfer to, or permit access to same by, any third parties without PRUFREX's prior written consent. Buyer shall indemnify and hold PRUFREX harmless from and against any and all liabilities, losses, damages, suits, arbitrations, judgments, settlements, costs or expenses (including reasonable attorneys' fees and expert witness fees) incurred by PRUFREX arising out of or resulting from any claim of infringement of intellectual property rights brought by a third party relating to any products supplied by PRUFREX based, in whole or in part, on any samples, drawings, models, technical data, specifications or documents furnished by Buyer to PRUFREX.

§ 20 ATTORNEYS' FEES AND INDEMNIFICATION: Buyer shall pay, reimburse, indemnify and hold PRUFREX harmless from and against any and all liabilities, losses, damages, penalties, costs or expenses (including but not limited to reasonable attorneys' fees, expert witness fees, court costs and arbitral fees) incurred by PRUFREX arising out of relating to (a) any breach of these Terms and Conditions by Buyer; (b) PRUFREX's cost of collection incurred with respect to any sums payable by Buyer; (c) any acts or omissions of Buyer, its agents or employees resulting in any claim or suit against PRUFREX, including without limitation claims relating to warranties regarding PRUFREX's products which have not been expressly authorized in writing by PRUFREX; (d) any action, claim or suit brought by Buyer against PRUFREX that is inconsistent or in conflict with the provisions of these Terms and Conditions; or (e) PRUFREX's enforcement of its rights and remedies, whether or not arising under these Terms and Conditions, and whether such enforcement action is necessitated by (i) the Buyer's breach or nonfulfillment of these Terms and Conditions or (ii) the Buyer bringing any suit, action, demand or claim against PRUFREX that is inconsistent or in conflict with the provisions of these Terms and Conditions.

§ 21 DISPUTE RESOLUTION: All disputes, controversies, claims or differences between the parties arising out of or relating to these Terms and Conditions, including the breach, validity or termination thereof, or the purchase, sale, condition or use of PRUFREX's

products, shall be finally and solely determined and settled by binding arbitration in Norfolk or Virginia Beach, Virginia, U.S.A. in accordance with the International Institute for Conflict Prevention & Resolution ("CPR") Rules for Non-Administered Arbitration (the "Rules"). The arbitration shall be conducted by a sole arbitrator. The arbitrator need not be a member of any of the CPR Panels of Distinguished Neutrals. The arbitrator is hereby instructed, directed and commanded to assume case management initiative and to initiate early scheduling of all events and proceedings so as to resolve any dispute as expeditiously as possible. In rendering the award, the arbitrator shall determine the rights, remedies, liabilities and obligations of the parties according to the laws of the Commonwealth of Virginia including, without limitation, the provisions thereof with respect to evidence. The arbitrator shall have no power to make awards or issue orders of any kind inconsistent with the provisions of these Terms and Conditions. The language of the arbitration shall be English. Judgment upon any arbitration award may be entered and enforced in any court of competent jurisdiction. The Buyer shall be irrevocably deemed to waive, to the fullest extent permitted by law, any claim for punitive, treble or other exemplary damages against PRUFREX in any suit, action, arbitration or other proceeding arising out of or relating to the purchase, sale or use of PRUFREX products. Notwithstanding anything herein to the contrary, PRUFREX shall in its discretion be entitled to bring suit in a court of competent jurisdiction against Buyer in order to (a) recover any sums payable by Buyer to PRUFREX or (b) obtain injunctive relief or other equitable remedies or interim measures to prevent, mitigate or stop irreparable harm to PRUFREX's rights. Buyer hereby irrevocably submits to the personal jurisdiction and venue of the courts of Norfolk and Virginia Beach, Virginia, with respect to any action brought by PRUFREX (i) to enforce the agreement herein to arbitrate, (ii) to enforce the arbitrator's award, (iii) seeking injunctive relief or other equitable remedies or interim measures, or (iv) claiming any amounts owed by Buyer. PRUFREX shall be entitled to recover its reasonable attorneys' fees and other expenses incurred in the enforcement or defense of its rights and remedies.

§ 22 GOVERNING LAW: These Terms and Conditions, together with the purchase, sale and use of PRUFREX's products, and all other aspects of the relationship between PRUFREX and Buyer shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia, U.S.A. without giving effect to any choice of law rules that could result in the application of the laws of any other jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods is hereby excluded.

§ 23 DUTY DRAWBACK: Except as otherwise agreed in writing by the parties, PRUFREX reserves all rights to, and the Buyer shall make no claim for, any United States duty drawback available in respect of PRUFREX's products or any raw materials or parts used therein. Buyer shall cooperate fully with all requests of PRUFREX in connection with PRUFREX's claim for any such duty drawback by, among other things, executing and endorsing all certificates, assignments, Customs forms and other documents presented by PRUFREX with respect to any such duty drawback claim.

§ 24 EXPORT CONTROLS: Buyer shall comply fully with all German and United States export controls applicable to the export or deemed export of PRUFREX's products and Buyer's finished products, or any technical data or software related thereto, including but not limited to the U.S. Export Administration Regulations, the International Traffic in Arms Regulations, and the sanctions, embargoes and controls administered by the U.S. Treasury Department Office of Foreign Assets Controls.

§ 25 EXCLUSIVE AGREEMENT; ENGLISH LANGUAGE: These Terms and Conditions supersede all prior communications, written and oral, between PRUFREX and Buyer with respect to the terms and conditions governing the sale and purchase of PRUFREX's products. This English language version of these Terms and Conditions shall govern and prevail over any translations hereof into another language. All notices given pursuant to these Terms and Conditions shall be in English. Except as otherwise agreed in writing by PRUFREX, these Terms and Conditions constitute the entire agreement between PRUFREX and Buyer concerning the terms and conditions governing the sale and purchase of PRUFREX's products. **PRUFREX will not be bound by any modification of these Terms and Conditions unless set forth in a writing signed by PRUFREX.**

As of: 07/2016