

PURCHASE ORDER TERMS & CONDITIONS

- 1. ACCEPTANCE:** This Purchase order (P.O.) constitutes no more than Buyer's offer to purchase goods from Seller in accordance with these terms and conditions, and any additional terms and conditions expressly set forth or incorporated by express reference on the P.O. which, when accepted by Seller, shall constitute a binding contract between the parties. Any terms and conditions proposed by Seller in Seller's invoice or any other documents which are different from, are deemed to materially alter the Terms and Conditions are hereby objected to and rejected by the Buyer. Acceptance of this P.O. shall occur upon (i) receipt by Buyer of the acknowledgement copy of this P.O. signed by Seller without alteration thereto, or (ii) receipt by Buyer of notification from Seller that Seller has commenced performance or that Seller intends to deliver or ship goods.
- 2. TAXES:** The prices for the goods sold include all federal, state and local taxes imposed on account of such sale, unless otherwise indicated Seller shall accept all tax exemption certificates provided by Buyer.
- 3. INVOICES:** Individual Invoices must be issued for each shipment applying against this P.O. Taxes, freight and other charges must be shown if Seller's discount is not allowed on the full amount of the invoice. Discount privileges will apply from the date of receipt of goods hereunder, of the date or the receipt of the invoice, whichever is the later.
- 4. CHANGES:** No changes shall be undertaken except upon written authorization of the Buyer. Buyer may, by written notice, make changes within the general scope of this P.O. in specifications, designs, drawings, packaging, methods of shipment, quantities, place of delivery or delivery schedules. If such changes cause a difference in the costs or the time of Seller's performance, an adjustment shall be made in the price or delivery schedule, or both, provided a written request shall be made to the Buyer within ten business days from the date of the Seller's receipt of the written notice making the change.
- 5. NOTIFICATION OF CHANGES IN PRODUCT/PROCESS DEFINITION:** Supplier shall notify Buyer of any changes in product and/or process definition, changes of suppliers, and changes of manufacturing facility location that affect or could affect product acceptance.
- 6. FORCE MAJEURE:** Buyer shall have the right to suspend shipments from Seller without penalty in the event of war, riot, flood, acts of GOD, fire, court order, strike, work stoppage, act of governmental authority or other causes beyond Buyer's control.
- 7. DELIVERY:** THE TIME OF DELIVERY IS OF THE ESSENCE. IF A TENDOR OF CONFORMING GOODS IS NOT MADE BY THE SCHEDULED DELIVERY DATE, SELLER SHALL HAVE NO RIGHT TO MAKE LATER CONFORMING TENDER. Seller shall be liable for all resulting damages to Buyer and any customers of Buyer occasioned by delay in delivery. Delivery shall not be deemed to be complete until the goods have been actually received and accepted by the Buyer. Seller shall bear the risk of loss to the goods purchased hereunder until received and accepted by Buyer.
- 8. INSPECTION:** Buyer shall have the right to inspect goods prior to acceptance.
- 9. WARRANTIES:** Seller warrants that all goods purchased and delivered shall: (a) strictly conform to Buyer's descriptions and specifications: (b) strictly conform to any samples, drawings or their written documents presented to Buyer in connection with the sale of such goods to Buyer, (c) be merchantable, of new and best material and fit the purpose for which such goods are intended, (d) be free from all defects, including latent defects in workmanship, material and design, and (e) strictly comply with the U.S. Occupational Safety and Health Act of 1970, as amended, all rules, regulations and orders thereunder, and any successor provisions thereto.
- 10. COMPLIANCE WITH LAW:** The goods which are the subject of this P.O. are manufactured and sold in strict compliance with all applicable federal, state and local laws, rules, regulations and orders. Further, such goods are produced in compliance with all provisions of Executive Order 11246 and Sections 6,7,12 and 14 of the Fair Labor Standards Act of 1938, as amended, all rules, regulations and order thereunder and successor provisions thereto.
- 11. CANCELLATION:** Buyer may, by written notice to Seller, cancel this P.O. or any part of it upon the occurrence of any of the following events ("Events of Default"), (a) Seller fails fully to perform any of its obligations under the Terms and Conditions, including without limitation, the timelessness of delivery, the conformity of goods delivered or conformity with any express or implied warranty hereunder. (b) The commencement of an involuntary case or the filing of a petition against Seller (i) seeking reorganization of Seller under the Federal Bankruptcy Code, (ii) seeking the appointment of a receiver, or similar official for any part of its property, or (iii) seeking the winding up or liquidation of its affairs. (c) The commencement by Seller of a voluntary case or the institution by Seller of proceedings to be adjudicated as bankruptcy or insolvent. (d) The making by Seller of any assignment for the benefit of creditors. (e) The admission by Seller in writing of its inability to pay its debts generally as they become due or the failure of Seller to generally pay its debts as such become due, or the failure of Seller to generally pay its debts as such become due. (f) The taking of any corporate action by Seller or its shareholder or Board of Directors or any committee thereof in furtherance of any of the foregoing or (g) Buyer in its reasonable opinion believes that the Seller's ability to perform this P.O. is in danger of impaired. Upon such cancellation, Buyer shall have the rights and remedies set forth in paragraph 11 below. Buyer's sole liability to Seller shall be for conforming goods completed and delivered to Buyer in accordance with this P. O.
- 12. RIGHTS AND REMEDIES:** If an Event of Default occurs, Buyer shall, in addition to the right of cancellation, be entitled to all remedies for a breach of contract set forth in the UCC and all other remedies available at law or equity. Additionally, Buyer may, at its option: (a) Refuse to accept delivery of goods or tender of substitute conforming goods: (b) Return nonconforming or late delivered goods to Seller at Seller's expense: (c) Recover any advance payments from Seller for undelivered goods: (d) Rework the goods to make the goods conform to the warranties and charge Seller for the expense thereof: (e) Have Seller repair or replace defective goods at Seller's expense: Buyer shall be entitled to exercise any or all of the remedies specified above or each of such remedies in Part. Buyer shall not be permitted to recover more than once for any part of a performance called for by these Terms and Conditions. NONE OF THE REMEDIES AVAILABLE TO BUYER HEREUNDER MAY BE LIMITED EXCEPT TO THE EXTENT AND IN A MANNER AGREED UPON BY BUYER IN A SEPARATE AGREEMENT SPECIFICALLY DESIGNATING SUCH LIMITATION AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BUYER.
- 13. INDEMNIFICATION:** Seller assumes the entire responsibility and liability for, and agrees to indemnify, defend and hold harmless Buyer from all losses, expenses, costs, and damages arising out of any personal injury or damage to property by whomsoever suffered because of (a) any act, error or omission of Seller or its agents, employees, suppliers, subcontractors and consultants, provided that such injury or damage is not occasioned by the sole negligence of Buyer or its agents, employees, an subcontractor, or (b) any defect in any product of Seller which was sold to Buyer, or (c) and failure of the goods sold to Buyer to comply with any warranty of Seller, Seller shall maintain public liability insurance (including products completed operations, vendor's liability and contractual liability coverage), automobile liability insurance and employer's liability insurance with respective minimum limits of liability of \$1,000,000 per occurrence and worker's compensation insurance in accordance with statutory requirements. Seller agrees to submit certificate of insurance evidencing such insurance coverage's when requested by buyer.

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- 14. PATENTS, TRADEMARKS AND COPYRIGHT:** Seller warrants that all merchandise furnished hereunder will not infringe upon any United States or foreign patent, trademark or copyright. Seller shall, at its own expense, defend any suit or proceeding brought against the Buyer based on a claim that any of the goods purchased hereunder constitutes an infringement of any patent, trademark or copyright. Seller shall pay all damages and costs awarded therein. If the goods purchased hereunder are held in such suit to constitute an infringement and use is enjoined, Seller shall promptly and at its own expense (a) Procure for the buyer the right to continue use of the goods purchased hereunder, or (to replace the same with non-infringing goods satisfactory to Buyer, or (c) modify such goods in a way satisfactory to Buyer and its counsel so they become non-infringing.
- 15. PROPRIETY INFORMATION:** Seller agrees that all information contained in drawings, blueprints, specifications and other documents submitted by Buyer to Seller is proprietary to Buyer and shall be returned to Buyer upon completion or termination of the P.O. Seller shall not keep such information in whole or in part for its own benefit or to Buyer's detriment or disclose such information to any other person.
- 16. INTELLECTUAL PROPERTY:** All "Intellectual Property" created on the instruction of Buyer in connection with this contract is Buyer's property. This includes all preparatory materials such as sketches, drafts, outlines and drawings. It is Buyer's and Seller's intent that such Intellectual Property created which is subject to copyright shall be vested in Buyer. Alternatively, if, for any reason Buyer cannot be deemed to have commissioned a work for hire", and its rights to copyright are thereby in doubt, then seller agrees to irrevocably assign to buyer, all rights in the copyright of the work prepared for Buyer. All Intellectual Property created which is subject to patent is hereby irrevocably assigned to Buyer. "Intellectual Property" means patents, trademarks, copyright, design patents, ideas, trade secrets, know how, confidential information, photographs, video tapes, films, slices, tape recordings, music, artwork, mechanical, writing of any kind, any audio/visual project, designs, printed or graphic matter. Seller agrees to execute any document, which may be necessary to effectuate this paragraph.
- 17. TOOLS:** All tools, dies, patterns, molds, gauges, jigs, fixture and the like, required to execute this order are to be supplied by the Seller. All such material, if furnished by Buyer, shall be the property of the Buyer, subject to removal at any time without additional cost upon demand by buyer, used only in filling orders from Buyer, separate from other tools, and identified as the property of Buyer. Seller assumes all responsibility for loss or damage, with the exception of normal wear or tear, and agrees to maintain such equipment and keep it in satisfactory working condition as its sole cost and expense.
- 18. MATERIAL:** Any material supplied by Buyer for use on this order, on other than a charge basis, is deemed as held by Seller on consignment. Seller agrees to pay for all such materials damaged and/or spoiled, or not otherwise satisfactorily accounted for, and to keep such material; fully insured at Seller's cost for Benefit of Buyer, separate from other materials and identified as the property of the Buyer.
- 19. REVIEW OF SELLER'S DRAWINGS, DATA AND WORK:** Review by Buyer of any drawings, data or work provided by Seller shall be only for purposes of ascertaining general conformity with Buyer's specifications and or confirmation of physical interface of the goods shown with related work or systems. The review by Buyer of any drawings, data and work does not include review of efficiency, adequacy or safety of seller's methods of construction or the means adopted by Seller to perform its work, nor does it include a review of any detail, design or specification prepared by Seller for use in the fabricating of the goods purchased hereunder. Buyer's review of or comments upon any drawing, data or work of Seller shall not relieve Seller from the entire responsibility for the correctness and adequacy of Seller's engineering, design, workmanship, material and all other services or for any other obligation of seller. Any information furnished by Seller to Buyer in connection with the purchase of goods shall not be deemed to be confidential information and shall be acquired free from any restriction as part of the consideration for this P.O.
- 20. ASSIGNMENT:** Seller shall not assign, delete or subcontract any of its rights or obligations hereunder without the prior written approval of Buyer. Any such assignment, delegation or subcontracting shall be void.
- 21. LIENS:** If the goods purchased hereunder are subsequently incorporated into an improvement of real property, Seller agrees that it shall not file or maintain a mechanic's or materialman's lien against such real property. If requested by Buyer, Sell shall execute and deliver to Buyer a release of liens at the time of final payment.
- 22. NOTICES:** All notices and other communications shall be in writing and deemed to have been duly given, made and received when delivered against or upon actual receipt by registered or certified mail, postage and fees prepaid, return receipt requested, to the respective addresses of the parties listed on the P.O. Any party may alter the address to which communications are sent by giving notice of such change of address in conformity with this paragraph.
- 23. MISCELLANEOUS:** (a) Seller shall be bound by any representation made by any of its agents or employees with respect to the specifications, quality, packaging, price or conditions of delivery of the goods. (b) If any provision of this P.O. is declared invalid by any tribunal law, the remainder of the provisions shall not be affected thereby, and each term and provision not declared invalid or unenforceable shall be valid and shall be enforced to the fullest extent permitted by law. (c) This P.O. and the Terms and Conditions thereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. (d) All questions relating to the validity, interpretation, performance, and enforcement of this P.O. and its term and conditions shall be construed in accordance with, and shall be governed by the laws of the State of Maine. (e) No claim or right arising out of a breach of the Terms and Conditions by Seller may be discharged in whole or in part by a waiver of the claim or right, unless the waiver is in writing signed by an authorized representative of Buyer. Buyers' waiver or acceptance of any breach by Seller of any provision of the Terms and Conditions shall not constitute a waiver of or an excuse for nonperformance as to any other provision of the Terms and Conditions nor as to any prior or subsequent breach of the same provision. (f) Seller warrants that the prices shall herein are as low as any now charge by Seller, and shall be as low as any which Seller shall, at the time of delivery, charge for such materials delivered in substantially similar quantity to any customer of a similar class. (g) No charges will be made for packing, crating, freight expense, cartage or storage unless listed on the face of hereof.
- 24. ENTIRE AGREEMENT:** When accepted, the Terms and Conditions will constitute the complete and exclusive statement of the terms of the contract between the parties hereto, are intended as a final expression, of the terms of such contract and will supersede all prior and contemporaneous agreements, inducements or conditions, express or implied, oral or written. No course of prior dealings between the parties and no usage of trade shall be relevant to supplement or explain any term herein. Buyer's acceptance or acquiescence in a course of performance rendered by Seller hereunder shall not be relevant to determine the meaning of this contract even though Buyer has knowledge of the nature of the performance and opportunity for objections.

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ACKNOWLEDGEMENT OF RECEIPT, UNDERSTANDING & AGREEMENT:

NAME OF SUPPLIER:

NAME OF SUPPLIER'S REPRESENTATIVE (PRINTED):

TITLE OF SUPPLIER'S REPRESENTATIVE:

I have received and read a copy of Soleras Advanced Coatings' [Purchase Order Terms & Agreement](#) in its entirety (pages 1 and 2 of this document), understand all the terms and agree to be bound by the provisions contained therein.

SIGNATURE OF REPRESENTATIVE:

DATE: