



TERMS AND CONDITIONS OF SALE OF SPIROL INTERNATIONAL CORPORATION AND ITS SUBSIDIARIES

APPLICATION OF THESE TERMS: The terms and conditions of sale set forth below and the Order Acknowledgement sent by Seller to Buyer (or the Quote sent by Seller to Buyer if no Order Acknowledgement is sent by Seller to Buyer) constitute the contract (the "**Contract**") between Spirol International Corporation, or the Spirol International subsidiary to which the purchase order was directed (the "**Seller**"), and the party to whom the offer is submitted (the "**Buyer**"). Any attempt by Buyer to alter the terms and conditions by counter offer or conditional acceptance shall be void and of no effect. These terms and conditions shall be deemed accepted by Buyer, and the Contract concluded between Buyer and Seller shall be on the basis of these terms and conditions, unless agreed in writing to the contrary by a duly authorised representative of Seller.

If this Contract responds to or follows any request for quotation and/or purchase order by Buyer which could be reasonably construed as an "offer" from Buyer and which offer contains terms and conditions ("**Buyer's Terms**") different from and/or additional to those set forth below, then this Contract shall not constitute an acceptance of Buyer's "offer" on Buyer's Terms. Seller's acceptance of Buyer's "offer" is expressly subject to the terms and conditions set forth below, which shall apply to the exclusion of Buyer's Terms.

PRICES: Prices quoted in the Contract are based on EXW (Incoterms 2010) Seller shipping location and are exclusive of Value Added Tax or any other taxes and shipping charges or any other delivery charges, unless otherwise specified in the Contract. If the price of raw materials increases or the cost to Seller of supplying the goods otherwise increases, or if the shipment of all or any part of an order is delayed by Buyer, Seller shall have the right to increase the price to reflect the increased price of the raw materials or the increased price of the delayed goods in effect at the time of shipment. Buyer agrees that pricing is conditioned on Buyer's complying with the terms of the Contract with respect to the quantities requested to be shipped over a specific time period and that if Buyer fails to meet such condition Seller may at its option either retroactively increase the price of the goods based on the quantities shipped or require Buyer to comply fully with the terms and conditions of the Contract.

PAYMENT: Payment shall be net thirty (30) days after date of invoice, unless otherwise specified in the Contract. Seller may issue an invoice for goods ready for shipment even though shipment is delayed by Buyer. Under no circumstances will the thirty (30) day term be construed to begin after the goods arrive at Buyer's place of business or after the occurrence of any other event or contingency. Notwithstanding the above, if in Seller's sole judgement there is reason to doubt that amounts due from Buyer will be paid in full when due, Seller reserves the right to require payment before delivery of the goods. Time for payment shall be of the



essence of the Contract. Payment shall be made in full without any withholding or deduction, whether by way of set-off, counterclaim, abatement or otherwise. Any amount not paid when due is subject to interest at the rate from time to time prescribed by or pursuant to the Late Payment of Commercial Debts (Interest) Act 1998 and running both before and after any judgement. Buyer shall also pay Seller any reasonable attorney fees and costs of collection, plus accrued interest, arising out of Buyer's failure to pay the price in whole or in part when due.

SECURITY FOR PAYMENT: Notwithstanding delivery of, or passing of title in, any goods from Seller to Buyer, Seller shall have a continuing first priority lien, or the highest available lien right and security interest in (being at least a floating charge over) the goods and the proceeds of any sale thereof as security for payment in full of the purchase price, interest and reasonable attorney fees under this Contract; and Seller shall be entitled to repossess the goods upon demand in the event of failure by Buyer to pay the price in full on time. Without prejudice to the generality of the foregoing, Buyer consents to Seller preparing and filing such forms, agreements and notices as Seller may deem appropriate to evidence such first, or highest available, priority lien and security interest in the goods and the proceeds of any sale thereof in such court, governmental office or other location as Seller may deem appropriate.

CANCELLATION BY SELLER: Seller reserves the right to cancel all or any part of the Contract at any time if Buyer fails to pay any amount when due under or otherwise breaches the Contract in any material respect or if in Seller's sole judgement the financial condition of Buyer is such that Buyer will or may fail to pay to Seller when due amounts payable to Seller under the Contract. Buyer agrees to authorise its creditors to disclose to Seller information concerning Buyer's credit worthiness, upon Seller's request.

DELIVERIES: Delivery dates specified in the Contract are approximations. Seller shall use reasonable efforts to meet such delivery dates; but time for delivery shall not be, and shall not be made, of the essence of the Contract. Without limiting the generality of the foregoing, if any delivery is delayed, such delivery dates shall be reviewed by Seller, and if, in Seller's sole judgement, delivery is delayed for an unreasonable period of time Seller may cancel all or any part of the Contract by written notice to Buyer. In no event shall Seller be liable for consequential, indirect, incidental or punitive damages, loss of use, or for any other direct or indirect loss or damages caused by delays in delivery or such cancellation.

TITLE AND RISK: Risk in the goods which are the subject of this Contract pass to Buyer on delivery EXW (Incoterms 2010) Seller shipping location, or as otherwise specified in writing by Seller. If Buyer does not indicate routing, Seller has the right to specify the routing of all shipments. Notwithstanding passing of risk in and possession of the goods, and notwithstanding anything else in this Contract, title to the goods shall not pass to Buyer until Seller has received payment in full (in cash or cleared funds) for: (a) the applicable goods; and (b) any other goods that Seller has supplied to Buyer in respect of which payment has become due. Until title to the goods has passed to Buyer, Buyer shall: (i) hold the goods on a fiduciary basis as



Seller's bailee; (ii) store the goods separately from all other goods held by Buyer so that they remain readily identifiable as Seller's property; (iii) not remove, deface or obscure any identifying mark or packaging on or relating to the goods; (iv) maintain the goods in satisfactory condition and keep them insured against all risks for their full price from the date of delivery; and (v) give Seller such information relating to the goods and Buyer's compliance with the obligations in this paragraph as Seller may require from time to time. However Buyer may resell or use the goods in the ordinary course of its business. If before title to the goods passes to Buyer any event occurs or circumstances arise that entitle Seller to cancel the Contract pursuant to the paragraph above entitled CANCELLATION BY SELLER, then (whether or not SELLER has so cancelled the Contract), provided that the goods have not been resold or irrevocably incorporated into another product, Seller may at any time require Buyer to deliver up the goods and, if Buyer fails to do so promptly, Seller may (itself or by its agent) enter any premises of Buyer or of any third party where the goods are stored or believed by Seller to be stored in order to recover them.

CERTAIN LIABILITY NOT EXCLUDED: Nothing in the Contract shall exclude or limit the liability of Seller or Buyer: (a) in negligence for death or personal injury; (b) for fraudulent misrepresentation or other fraud; (c) for wilful default; or (d) otherwise insofar as its liability cannot lawfully be excluded or limited. Accordingly all terms and conditions of the Contract which have the object or effect of excluding or limiting the liability of Seller or Buyer are subject to this paragraph.

LIMITED WARRANTY: Seller warrants that all goods sold by Seller to Buyer pursuant to the Contract shall be free from defects in workmanship and materials for the following period of time from the date of shipment: one (1) year for goods other than equipment; one hundred and eighty (180) days for goods that are equipment used by Buyer in no more than one eight hour shift per day or equivalent; and ninety (90) days for goods that are equipment used by Buyer in more than one eight hour shift per day or equivalent. This warranty does not apply unless Buyer gives written notice of any defects within ten (10) days of discovery of the defect. Buyer acknowledges and agrees that its sole and exclusive remedy for any breach of the foregoing warranty shall be the repair by Seller (or replacement, at Seller's sole option) of any material or parts, EXW (Incoterms 2010) Seller shipping location, free of charge to Buyer but without obligation of Seller for installation of the repaired or replacement parts. EXCEPT AS STATED IN THIS PARAGRAPH OR AS OTHERWISE EXPRESSLY STATED IN THE CONTRACT, SELLER MAKES NO REPRESENTATIONS AND GIVES NO WARRANTIES WITH RESPECT TO THE GOODS; AND ALL SUCH REPRESENTATIONS AND WARRANTIES, AND ALL CONDITIONS, THAT WOULD OTHERWISE BE IMPLIED BY LAW OR OTHERWISE ARE HEREBY EXCLUDED TO THE FULLEST EXTENT PERMITTED BY LAW. WITHOUT LIMITING THE FOREGOING, THE IMPLIED CONDITIONS OF SATISFACTORY QUALITY AND FITNESS FOR PURPOSE ARE HEREBY EXCLUDED. Buyer acknowledges that any application assistance provided by Seller are subject to approval based on Buyer's testing and final approval and that such assistance shall not in any manner affect or expand this limited warranty. Seller may, from time to time, provide recommendations as to the best practices in the



testing and usage of Seller's goods. Buyer further acknowledges and agrees that such recommendations shall not in any manner affect or expand this limited warranty.

LIMITATION OF DAMAGES AND LIMITATION OF LIABILITY: (a) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES INCURRED BY BUYER AS THE RESULT OF ANY ACT, BREACH OR OMISSION BY SELLER, EVEN THOUGH SELLER MAY HAVE BEEN ON NOTICE THAT BUYER WOULD INCUR SUCH DAMAGES. WITHOUT LIMITING THE FOREGOING, SELLER WILL NOT BE LIABLE FOR BUYER'S LOST PROFITS, LOSS OF USE, DAMAGE TO EQUIPMENT OR PROPERTY, REDUCTION IN MANUFACTURING OUTPUT, LOSS OF DATA, LOSS OF BUSINESS OPPORTUNITY OR REPUTATION, OR ANY DAMAGES ARISING FROM ANY BREACH OF THE CONTRACT BY SELLER, WHETHER DIRECT OR INDIRECT. (b) Further (without prejudice to other exclusions and limitations of Seller's liability), in no event shall Seller's liability to Buyer exceed the lesser of (i) \$15,000 or (ii) the amount actually paid for the defective goods or services. The limitations of subsections (a) and (b), above shall remain in full force and effect regardless whether Buyer's sole and exclusive remedy (under the paragraph above headed LIMITED WARRANTY) fails of its essential purpose and regardless of the nature of Buyer's claims, be they based in misrepresentation, contract, warranty, negligence or other tort, product liability or otherwise.

FORCE MAJEURE: Seller will not be liable for any delays or losses resulting, directly or indirectly, from Acts of God, severe weather conditions, labour disputes, governmental actions, war, inability to obtain permits, licences, raw materials or shipments of product, shortages and any other causes or circumstances beyond Seller's control.

CLAIMS AND ADJUSTMENTS: Specially manufactured and/ or customised goods are not returnable. Other returns, regardless of reason, will not be accepted without prior written authorisation by Seller (which may be subject to such conditions as Seller in its absolute discretion decides). No shortage claim or error in shipment will be adjusted unless reported in writing to Seller within ten (10) days of Buyer's receipt of goods.

TIME LIMITATION FOR ACTIONS AND CLAIMS: Any claim or cause of action with respect to this Contract must be commenced within one (1) year after the claim or cause of action accrues.

ARBITRATION: Any dispute arising out of or relating to this Contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration (LCIA) Rules, which Rules are deemed to be incorporated by reference into this paragraph. The number of arbitrators shall be one (1). The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. However nothing in this Contract shall prevent a party



from applying to any court for an order of specific performance or other equitable relief or for summary judgement.

GOVERNING LAW: The Contract shall be governed by and construed in accordance with the laws of England and Wales without regard to the choice of law provisions of such laws.

SOLE AGREEMENT: The Contract constitutes the final expression of the parties' agreement, and it is the complete and exclusive statement of the terms and conditions of the Contract. No other oral or written terms are part of this Contract. In no event shall the United Nations Convention on Contracts for the International Sale of Goods apply to this Contract. This Contract may only be modified by a writing signed by both parties.

MISCELLANEOUS: Seller may without consent assign its rights and obligations under this Contract and this Contract shall bind and shall survive for the benefit of the assignee. Buyer may not assign its rights or obligations under this Contract. The rights and remedies of Seller under this Contract are cumulative and the exercise of any one or more of them shall not preclude the exercise of any other. No delay by Seller in exercising any right or enforcing any provision of this Contract shall be deemed a waiver of such right or provision or shall otherwise prevent the later exercise or enforcement of that or any other right or provision. Buyer acknowledges that it has not been induced to enter into this Contract by any representation made by or on behalf of Seller. If any term of this Contract is held to be void or unenforceable in whole or in part, it will be void or unenforceable to that extent only and no further, and the remainder of the applicable term and all other terms of this Contract shall remain valid and fully enforceable. The headings and captions in these terms and conditions are for convenience only and shall not affect interpretation.

(Revised May, 2013)