

# Knowlton Technologies, LLC

## GENERAL TERMS AND CONDITIONS OF SALE

All sales of goods by Knowlton Technologies, LLC ("KT") are made on the following terms and conditions, which are incorporated by reference into each contract of sale. In these General Terms and Conditions of Sale ("Terms of Sale"), any "goods" referenced in KT's quotation to Buyer will be used in the same context as "goods" below.

Section 1: Contract and Terms. Orders based on quotations by KT are subject to acknowledgment by KT. All orders of goods will be subject to these Terms of Sale, and all quotations and acknowledgments of KT are expressly conditional on the resulting contract of sale containing these Terms of Sale. Additional or different terms in Buyer's forms or any attempt by Buyer to vary in any degree any of the terms of these Terms of Sale shall be deemed material, and are hereby objected to and rejected, but this shall not prevent the formation of a contract between KT and Buyer, and upon KT's acknowledgment Buyer's order shall be deemed accepted by KT without such additional or different terms. If Buyer objects to any of the provisions of these Terms of Sale, Buyer must bring such objection to the attention of KT in a writing separate from any purchase order or other printed form of Buyer, which shall be deemed to be proposals for different terms and conditions that may be accepted only in writing signed by an authorized representative of KT. Notwithstanding the foregoing, in the event of a conflict between KT's quotation or acknowledgment and these Terms of Sale, unless otherwise expressly specified in the quotation or acknowledgment, these Terms of Sale shall govern.

Section 2: Variation in Order Size. KT is the manufacturer of specialty products. The production of specialty products frequently requires manufacture in batches or production runs that cannot be specifically limited or tailored to the stated requirements of an order. In order to accommodate the requirements of various order sizes the following shipping tolerances are effective:

<u>ORDER SIZE</u>	<u>TOLERANCE*</u>
Less than 1000#	+/- 30%
1001 to 5000#	+/- 20%
5001 to 7500#	+/- 15%
7501 and Greater	+/- 10%

\*For purposes of calculating order size tolerance, the units of measurement will be as stated in the quotation.

The Buyer agrees to pay at the agreed per-unit price for all goods delivered under a given sales contract in quantities that exceed the order amount, as long as the amount of goods so delivered falls within the stated tolerances. Any order falling within these tolerances will be considered complete unless otherwise agreed upon in writing. KT reserves the right to ship master rolls or full skids from current inventory to meet Buyer order requirements.

Section 3: Cancellation of Orders. An order may not be cancelled by Buyer for any reason, in whole or in part, within thirty (30) days of confirmed ship date without KT's prior written approval. In the event a cancellation is approved by KT then, unless otherwise agreed, Buyer shall pay KT all costs and expenses KT incurred in relation to the order before KT received the cancellation request. A cancelled order is considered a revised order, and therefore the request should be sent to [customerorder@knowlton-co.com](mailto:customerorder@knowlton-co.com).

Section 4: Price and Payment Terms. Prices contained in a quotation represent KT's price at the time of quotation, and may be revised by KT to reflect KT's list price in effect at the time of acknowledgment of Buyer's order. The purchase price of all goods shall be less any and all applicable allowances offered or provided by KT. If any sales, use, excise or other tax is, or should ultimately be assessed against KT by any taxing authority in connection with a sale of goods subject to these Terms of Sale, Buyer agrees and obligates itself to immediately pay KT an amount equal to all such taxes, penalties and interest and reasonable attorney's fees expended in connection therewith. Unless a longer period is specified in KT's acknowledgment, payment in full of the price is due 30 days after shipment of the goods, without discount, except that if at any time KT determines that Buyer's financial condition does not justify a sale on credit or if Buyer shall at any time be in default in any indebtedness or obligation owing to KT, then KT may require advance payment or may ship C.O.D., and may withhold shipments or releases on orders being shipped in lots. Payment must be made in U.S. dollars at (a) KT's lockbox (b) KT's offices in the City of Watertown, NY, or (c) in the case of orders based on a letter of credit, at KT's account in Key Bank, Watertown NY. Any payment not made when due shall accrue a late charge of 1-1/2% per month.

Section 5: Delivery. KT shall provide goods ordered FCA, Watertown, NY. KT's shipping point, and KT shall use its best efforts to ship the goods in accordance with KT's specified delivery dates via public or private carriers to such locations as Buyer shall specify. All delivery dates are approximate. All costs associated with packing, loading, shipping, insurance, or carriage shall remain the sole responsibility of the Buyer. Any increase in freight rates paid by KT on shipments, may, at KT's option, be added to the price of the goods shipped. Title and risk of loss shall pass to Buyer upon delivery to the carrier. Cost of freight and other charges subsequent thereto are the responsibility of the Buyer.

Section 6: Excuse from Performance. KT shall not be liable for failure to perform or for delay in performance due to any cause beyond its reasonable control, including but not limited to fire, flood, strike or other labor difficulty, act of God, any legal proceeding, act of any governmental authority, act of Buyer, war, riot, sabotage, civil disturbance, embargo, fuel or energy shortage, wreck or delay in transportation, major equipment breakdown, materials or manufacturing facilities from usual sources, or any act, delay or failure to act of KT's suppliers and subcontractors of any tiers beyond KT or such supplier's of subcontractor's reasonable control. In the event of delay of performance due to any such cause, the date of shipment or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

Section 7: Warranty/Defects. KT warrants that the goods sold shall meet the written specifications supplied to Buyer by KT and KT agrees to replace any goods which fail to meet those standards. Notwithstanding the foregoing, all claims of breach of the foregoing warranty are subject to the following conditions and limitations.

(a) A warranty claim must be made in writing by Buyer within ten (10) days after receipt at destination if ascertainable by visual examination of exterior surfaces of the package or container in which the goods are shipped, or made in written notice postmarked within one hundred-eighty (180) days after receipt if not so ascertainable.

(b) The goods providing the basis of any such claim shall be held by the Buyer for inspection and for instruction as to disposition by KT. Goods being returned must be accompanied by KT's Returned Goods Authorization within thirty (30) days. Acceptance of the goods by Buyer shall be in conformity with Section 2-606 of the Uniform Commercial Code, and the time limits set forth above shall be deemed conclusive as being reasonable time for inspection for purposes of making an effective rejection or revocation of acceptance.

(c) The use of any goods provided to the Buyer in the manufacture or recombination of the goods in any sort of manufacturing or assembly process shall be conclusively deemed to constitute acceptance of the goods, and no revocation of that acceptance may occur because it is mutually

agreed that the use of those goods in a manufacturing or assembly process constitutes a substantial change in the condition of the goods' within the contemplation of Section 2-608 of the Uniform Commercial Code.

(d) No goods sold by KT may be returned for credit except by reason of breach of warranty as described above. All such goods must be returned to KT in original condition, with freight at the expense of KT. Credit will be allowed based upon the breach, provided that all goods have been returned, excepting only so much as may have been necessary to establish the breach of warranty. Where KT has accepted a return of goods, title to all returned goods shall be reverted to KT upon the application of the credit to the Buyer's account.

Buyer's failure to satisfy any of the foregoing conditions that are imposed upon the Buyer hereunder will result in Buyer's irrevocable waiver of the warranty set out in the first sentence of this section.

KT warrants that goods sold to Buyer shall be free of any rightful claim of infringement or the like unless the product is manufactured or produced in compliance with specifications furnished by Buyer, provided, however, KT does not warrant against infringement or the like by reason of the Buyer's use of KT's goods in combination with other material or in operation of any process.

The express warranties set out above are the only warranties provided by KT in the sale of goods to Buyer, and **KT DISCLAIMS ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE.**

Section 8: Limitation of Liability. In placing an order for any goods, Buyer acknowledges that it bears the sole and exclusive responsibility for the safe storage, use, combination or further distribution of any such materials and bears the exclusive financial obligation for any harm to any person or property arising after delivery of the goods to the Buyer. Buyer acknowledges that materials comprising the goods are, or may be suspected to be, hazardous to human health, and Buyer assumes all risk, responsibility and liability for the use, storage, handling, or other disposition, of the material. It is expressly understood that any technical or safety advice furnished by KT with reference to the use of goods is supplied without consideration and KT assumes no obligation or liability for the accuracy or sufficiency of advice given or results obtained. All such advice is accepted at Buyer's risk. KT's liability for any goods delivered which is not of the quality required is hereby limited to the replacement of such goods and absorption of all freight charges incident thereto. Under no circumstances shall KT be liable to Buyer for any consequential or incidental damages, including, but not limited to loss of production, downtime, lost goodwill, lost resale profits, work stoppage, impairment of products or otherwise, and whether arising out of breach of contract, negligence or otherwise. Buyer's sole and exclusive remedy is limited to repair or replacement, at the KT's option, of the goods or full or partial credit, therefore in no event shall any claim exceed the purchase price of the goods, and no claim or allowance will be considered unless the goods are returned in their entirety (or a full width sample as determined by KT's sales engineer for inspection by KT).

Section 9: Indemnity. Buyer shall indemnify and hold harmless KT with respect to all damages, losses, claims and expenses, including but not limited to consequential and incidental damages and attorney fees, that KT incurs as a result of Buyer's breach of any of Buyer's obligations under these Terms of Sale or any claimed unfair competition or patent, trademark or copyright infringement or any other claim resulting from KT's manufacture of the goods, or performance of the services, to Buyer's specifications.

Section 10: Intellectual Property and Confidentiality. All inventions (whether or not patentable), devices, technologies, ideas, improvements, processes, systems, software and other works and matters that KT creates or develops in the course of KT's design, development or manufacture of the goods or performance of the services and all drawings and specifications that KT provides to Buyer ("**Intellectual Property**") shall be KT's sole property, and Buyer assigns, and agrees to assign, to KT all right, title and interest that Buyer now has or in the future acquires in the Intellectual Property. Buyer shall not disclose or use any of the Intellectual Property or any information about KT's business, operations or activities, except to the extent necessary for Buyer to use the goods or services.

Section 11: Time for Bringing Action. Any action that the Buyer brings against KT which relates to a sale of goods which is subject to these Terms of Sale must be brought within one hundred-eighty (180) days after the cause for action occurs.

Section 12: KT's Rights. KT has all rights and remedies given to KT by applicable law, and KT's rights and remedies are cumulative and may be exercised from time to time. A waiver by KT of any right on one occasion will not be a waiver of any future exercise of that right, or imply a waiver of any other right, unless specifically stated.

Section 13: Complete Agreement/Amendment. The provisions of these Terms of Sale contain the entire agreement between Buyer and KT respecting their subject matter. Any change in said agreement must be in writing and signed. The agreement is not assignable or transferable by either party.

Section 14: Dispute Resolution/Interpretation. Any dispute arising under a contract of sale which incorporates these Terms of Sale will be resolved exclusively through arbitration to be conducted in the City of Watertown, New York, under the auspices and rules of the American Arbitration Association. No litigation may be initiated in any federal or state court, except upon mutual agreement, or following the completion of arbitration as provided in the foregoing sentence. Any such litigation shall be conducted only in the federal or state courts having venue in the City of Watertown, New York, and Buyer irrevocably consents that any such court will have personal jurisdiction over Buyer and waives any objection that the court is an inconvenient forum. All costs of the litigation shall be assessed to and paid by the party against whom the disputes are resolved, but in the event that the resolution is not wholly in favor of either party, such costs shall be assessed and paid on an equitable assessment to be made by the arbitrator or a court having jurisdiction. Each contract of sale into which these Terms of Sale are incorporated shall be considered to have been made in the State of New York, and it shall be governed by and interpreted according to New York law except conflicts of law provisions thereof.