

TERMS AND CONDITIONS OF SALE

1. DEFINITIONS. These “Terms” means these Flow Dry Technology, Inc. Terms and Conditions of Sale. “Products” shall mean the goods to be produced and delivered by Flow Dry. “Flow Dry” shall mean Flow Dry Technology, Inc. or such of its subsidiaries and affiliates as supply the Products and may include Flow Dry Technology, Inc., Flow Dry KFT (Hungary), and Flow Dry (Zhangjiagang) and Packaging Products Co., Ltd. (China). These Terms apply to Products manufactured at all locations. “Customer” shall mean the Customer purchasing Products from Flow Dry. “Order” shall mean a purchase order issued by Customer for the Products, and shall include, as the context permit, any contract or contracts formed as a result thereof. These Terms govern all quotations and all sales of Products by Flow Dry.
2. General.
 - (a) The sale of Products by Flow Dry shall be exclusively governed by these Terms, regardless how any communications are conducted (in person, on-line, by telephone, by regular or express mail, facsimile, electronic mail or otherwise). These Terms, together with the statement of the type and quantity of the Products to be provided and the requested delivery date set forth in Flow Dry’s written Order acknowledgment, shall constitute the entire agreement between Flow Dry and Customer regarding the sale of Products.
 - (b) Quotations by Flow Dry do not constitute offers to sell, and no Order shall create a binding contract until Flow Dry fulfills the Order or accepts it in writing, whichever happens first. Any Order issued that contemplates shipping in multiple installments or releases (a Future Release Order or “FRO”), regardless of the time period over which the releases are expected, shall constitute an irrevocable offer by Customer to purchase the full aggregate quantity stated in the FRO over the period stated in the FRO. Unless Flow Dry agrees otherwise, releases under an FRO shall be priced at Flow Dry’s standard price as in effect at the time the release is received. Flow Dry shall be deemed to have accepted Customer’s offer when Flow Dry expressly accepts each individual release or releases thereunder, or ships the Products to Customer pursuant to each separate release.
 - (c) No terms and conditions in any Internet web site Customer may maintain or any request for proposal, request for quotation, purchase order or other communication or correspondence from Customer (“Customer Terms”) that are inconsistent with or in addition to these Terms shall have any force or effect. Flow Dry’s commencement of performance or delivery of Products shall not constitute Flow Dry’s assent to Customer Terms. Flow Dry’s Terms constitute written objection to all such inconsistent or additional Customer Terms. If these Terms differ from any offer or Order from Customer, Flow Dry’s Terms shall be construed as Flow Dry’s counteroffer and will not be effective as an acceptance of any Customer Terms.
 - (d) Placing any Order with any Flow Dry entity or acceptance of any Products constitutes Customer’s assent to these Terms.
3. Prices.
 - (a) Prices quoted are based on annual quantity and release quantity minimums as established by Flow Dry from time to time. Unless Flow Dry agrees otherwise, Customer shall order in minimum quantities of \$500.00 per item per shipment. Orders will be priced in accordance with quantities released for shipment at one time, as listed on Flow Dry’s quotations. Requested release quantities for fewer parts or service part levels or smaller quantities must be quoted separately. Flow Dry may adjust prices in response to reduction in release quantity below the quoted minimums for any period.

- (b) If between the date on which the price of any shipment of Products is established (by reference to Flow Dry's quotation, price list, FRO or otherwise) and the date of shipment, Flow Dry's cost of the Products has increased by more than 7.5% solely because of currency exchange rate fluctuations or 4% for other reasons, Flow Dry may pass the entire increased cost on to Customer. Prices quoted are valid for 30 days after which they could be subject to possible adjustments. Shipment quantity tolerances are +10%/-10% unless otherwise agreed and Customer agrees to accept all orders that do not exceed those tolerances.
4. Payment for Products. Payment terms are Net 30 days. Should Customer fail to fulfill agreed terms of payment, or should Flow Dry have any doubt at any time as to whether payment in full, on time, will be made, for any orders, or Flow Dry may decline to accept further Orders or make further shipments except upon receipt of required payment in advance or other assurance of Customer's ability to perform satisfactory.
5. Transport Terms. All sales are EX-WORKS, Flow Dry's manufacturing location unless otherwise stated on the face of Flow Dry's quotation.
6. Tooling.
- (a) Tooling charges quoted cover the initial cost of building the particular tool specified in the quotation, based on the annual quantities quoted. Where actual quantity usage exceeds quoted capacity quantities, the lifetime tool capacity may be exceeded and additional tool charges to rebuild or replace the tool may be required to continue production. When tooling costs for any Customer exceed \$10,000, 30% of tooling cost shall be due with Customer's Order, 30% upon receipt of first parts made off tooling, and 40% final payment is due upon production part approval process ("PPAP") submittal.
- (b) Tooling or tooling components purchased by Customer, which have been replaced or modified by Flow Dry without consideration, or exceed the normal estimated useful life of the tool because of maintenance and repairs paid for by Flow Dry, becomes the property of Flow Dry.
- (c) Tooling in Flow Dry's possession that has been inactive for more than three years may at Customer's expense be destroyed or sent to Customer for storage. Payment for drawing, development, mold, and/or tooling charges does not grant Customer any license, either explicitly or implicitly, under any of Flow Dry's intellectual property rights. Tooling paid for through amortized adjustment of cost into piece part price remains the property of Flow Dry.
7. Limited Shelf Life. Without limiting Customer's obligations in respect to FROs, Materials or components with a stated shelf life used for quotation require Customer to issue an Order sufficient to use up the minimum quantity required by the raw material supplier in the appropriate period specified by Flow Dry. Cancellation charges will apply where total order quantities do not meet the quoted minimum required to use up all raw material either during "balance out" or otherwise.
8. Packaging. Standard packaging will be a corrugated cardboard box with plastic liner. Box or drum size and contained quantity are determined by the most economical method based on the size and quantity of the Products being ordered. Standard packaging will apply unless otherwise noted on the face of this quotation. All transactions may be charged a 3% packing and handling fee to process the packing and handling requirements for each order. In the event that Customer pays directly to Flow Dry via cash or check, the packing and handling fee is waived.
9. Warranties.
- (a) Flow Dry warrants that goods shall when shipped conform to the applicable agreed-upon drawings or specifications for the applicable part number and revision level listed on Flow Dry's

quotation or current Price Revision Letter then in effect, and will conform to material specifications per the quoted Drawings.

- (b) The quality management systems of the Flow Dry family of companies are certified to comply with the requirements of ISO/TS16949:2009 or ISO 9001:2008 as follows: OHIO- ISO/TS 16949:2009 – Third Edition; IATF Certificate HUNGARY- ISO/TS 16949:2009– Third Edition; IATF Certificate CHINA- ISO/TS 16949:2009– Third Edition; IATF Certificate. The companies comply with both ISO13485 and cGMP.
- (c) If Products are found not to meet the warranties in Section 9(a)(“Nonconforming Products”), Flow Dry will at Flow Dry’s option replace the Nonconforming Products or refund the purchase price of each package of Nonconforming Products, provided that:
 - (i) Customer notifies Flow Dry of the nonconformance in writing within thirty (30) days after delivery of the Products.
 - (ii) Customer provides the identifying lot number from the label on the Products to Flow Dry to allow Flow Dry to trace the root cause, if any, and to correct the nonconformance on future shipments of Products.
 - (iii) Customer allows Flow Dry to inspect the Products in question or the Nonconforming Products are returned under a Return Material Authorization (“RMA”) number issued by Flow Dry.
 - (iv) The Products have not been exposed to unusual environmental conditions, incompatible chemicals, unreasonable stress or other misuse or mishandling in connection with their assembly, handling, application or use.

The foregoing constitutes Customer’s sole and exclusive remedy for Nonconforming Products.

- (d) FLOW DRY MAKES NO WARRANTY, EXPRESS OR IMPLIED, OTHER THAN AS EXPRESSLY PROVIDED IN SECTION 9(a) ABOVE. EXPRESSLY EXCLUDED ARE THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE.
- (e) IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, LOST REVENUE, RECALLS, OR PROFITS, OR ANY OTHER COSTS OF ANY NATURE AS A RESULT OF THE PURCHASE, USE, ASSEMBLY, INSTALLATION, HANDLING, TRANSPORTATION, OR DISPOSAL OF THE GOODS, WHETHER USED IN ACCORDANCE WITH FLOW DRY’S INSTRUCTIONS OR NOT. UNDER NO CIRCUMSTANCES SHALL FLOW DRY’S LIABILITY EXCEED THE ACTUAL SALES PRICE PAID FOR THE GOODS GIVING RISE TO THE CLAIM.
- (f) CUSTOMER IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER THE HANDLING, STORAGE, ASSEMBLY, INSTALLATION OR USE OF ANY GOODS PURCHASED FROM FLOW DRY IS SAFE AND APPROPRIATE IN ANY LOCATION, FOR ANY GIVEN APPLICATION OR IN ANY GIVEN CIRCUMSTANCE. ANY TECHNICAL ADVICE GIVEN BY FLOW DRY TO CUSTOMER IS GIVEN IN GOOD FAITH FOR CUSTOMER’S ASSISTANCE AS AN ACCOMMODATION, AND SHALL NOT AFFECT THESE TERMS. FLOW DRY RESERVES THE RIGHT TO CHANGE PRODUCT SPECIFICATIONS AS REQUIRED TO CONFIRM TO APPLICABLE STATUTES OR REGULATIONS. UNLESS OTHERWISE EXPRESSLY INDICATED BY FLOW DRY, FLOW DRY’S GOODS ARE INTENDED FOR INDUSTRIAL USE ONLY. FLOW DRY IS NOT RESPONSIBLE FOR ANY LOSS, DAMAGE, COST OR EXPENSE RESULTING FROM ANY USE OF FLOW DRY’S GOODS FOR ANY

APPLICATION THAT IS NOT RECOMMENDED BY FLOW DRY'S WRITTEN INSTRUCTIONS OR THAT IS NOT PERMITTED BY APPLICABLE LAWS AND REGULATIONS.

10. Inspection; Rejection of Products. It is Customer's responsibility to inspect all Products immediately upon receipt. Customer may not reject any Products other than Nonconforming Products. Rejection of any Products shall be made by providing Flow Dry written notice of such rejection within five (5) days after delivery or tender of the Products, which time is agreed to be commercially reasonable, and any attempt to reject any Products other than in compliance with the provisions of this Section 10 shall be void.
11. Several Responsibility. Each Flow Dry entity shall only be individually responsible for the obligations and liabilities under particular contracts to which it is party. No guaranty, suretyship or joint liability of any nature shall be implied to exist between or among Flow Dry entities for the benefit of Customer or any third party except as otherwise agreed by the Flow Dry entity in question. These Terms are part of all contracts for all sales of Products by all Flow Dry entities unless otherwise expressly provided therein.
12. No License of Intellectual Property. Customer is not granted any license or other rights of any nature whatsoever with respect to any of Flow Dry's trademarks, trade names, trade secrets, patents, copyrights or other intellectual property rights by reason of purchasing Products or otherwise in connection with any transaction subject to these Terms, and all such trademarks, trade names, trade secrets, patents, copyrights or other intellectual property rights shall be and remain Flow Dry's sole property.
13. Export Sales. Customer shall comply with all applicable laws, rules, and regulations of all jurisdictions that have a relation to the purchase and movement of, and payment for, any Products Flow Dry may sell or otherwise provide to Customer, and Customer will not import, export or transfer any Products sold or provided by Flow Dry without obtaining all necessary or required governmental or other authorizations or approvals or otherwise complying with all applicable legal requirements and payment of any duties on such Products.
14. Governing Law; Jurisdiction and Venue. These Terms, and any transaction entered into by Flow Dry and Customer subject to these Terms, shall be deemed to have been made in and will be governed by and construed under the laws of the domestic, internal laws of the Commonwealth of Pennsylvania, United States of America, without regard to its principles pertaining to conflict of laws. The United Nations Convention on Contracts for the International Sale of Products does not apply to any sale of Products from Flow Dry to Customer.
15. Miscellaneous. By ordering or accepting any Products from Flow Dry, Customer's representative represents and warrants to Flow Dry that Customer has the authority and capacity to purchase Products from Flow Dry under these Terms and, if applicable, to legally bind Customer. Customer may not assign any of Customer's rights under these Terms or under any Order without Flow Dry's prior written consent. None of Flow Dry's officers, employees, agents or other representatives has the authority to modify, amend or waive any provision set forth in these Terms except in a written instrument signed by one of Flow Dry's senior executive officers, and any other purported amendment, modification or waiver of these Terms (including all purported oral amendments, modifications or waivers) shall be of no effect. These Terms may not be modified or altered by any course of dealing between Flow Dry and Customer or by reference to any purported usage of trade. Any written waiver of any term, provision or breach of these Terms granted by Flow Dry shall be limited to the particular term, provision or breach referred to in such written waiver and shall not be construed as a waiver of any other term, provision or breach hereof or of any other fact or matter, nor shall any such waiver be deemed or construed as a continuing waiver unless otherwise expressly set forth in such written waiver. Any provision of these Terms prohibited by applicable law in any jurisdiction shall be ineffective to the extent of such prohibition in such jurisdiction only. If any provision of these Terms is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of these Terms will remain in full force and effect. Flow Dry's failure to require strict

performance of any provision hereof shall not affect its right thereafter to require strict performance of such term or provision or any other term or provision hereof. A notice required under these Terms shall be deemed sufficient if given in a writing addressed to the other party at its registered office or such other address as may have been given by the receiving party. Nothing herein shall be construed to limit any rights or remedies available to Flow Dry or to prohibit Flow Dry from exercising any rights or remedies available to Flow Dry under any applicable laws or equitable principles. These Terms are included with all quotes transmitted in any form and supersede all prior agreements, representations and understandings or Customer terms and conditions.