



## RAZOR COMPOSITES LLC TERMS AND CONDITIONS

1. Offer, Cancellation and Governing Terms. This document is an offer or counter-offer by Razor Composites LLC ("Seller") to sell the goods and/or services described herein to the buyer to which it is directed ("Buyer") in accordance with these terms and conditions of sale (these "Terms and Conditions"); this writing is not an acceptance of any offer made by Buyer and *is expressly conditioned upon assent to these Terms and Conditions*. No additional or different terms or conditions will be binding upon Seller unless specifically agreed to in writing. Seller hereby objects to any such additional or different terms or conditions contained in any purchase order or other communication heretofore or hereafter received from Buyer. No accepted offer may be cancelled or altered by Buyer except upon terms and conditions accepted by Seller in writing. In the event of an approved cancellation by Buyer, Buyer shall pay a cancellation charge to Seller in accordance with Seller's then-current policies. Any clerical errors in Seller's quotations, acknowledgements or invoices are subject to correction by Seller. This document and these Terms and Conditions shall be the entire agreement between the parties on the subject of the transactions described herein (this "agreement"). Seller's rights and remedies hereunder shall be cumulative. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF WISCONSIN, U.S.A., WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL NOT BE GOVERNED BY THE PROVISIONS OF THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.
2. Prices. The prices stated herein are based on the quantities specified for delivery in a single lot unless otherwise indicated herein. All prices are payable in U. S. Dollars and are subject to change **upon** notice, and are subject to adjustment by Seller for any change made by Buyer and approved by Seller in quantities, delivery or other terms hereof, and the price of goods on order but unshipped will be adjusted to the price in effect at the time of shipment.
3. Payment. Unless otherwise agreed by Seller in writing, payment terms are [net thirty (30)] days after shipment of the order or any portion thereof except when Seller requires payment in advance; provided, however, that payment of the full amount of any invoice shall become immediately due and payable in the event that any payment thereon is not made when due. Buyer agrees to pay a late charge of 1.5% per month (or the highest rate allowed by law, whichever is less) on any late payments. Payments are to be made only at Seller's main office, unless otherwise agreed in writing. Buyer agrees to pay all costs, including attorneys' fees, arising in connection with the collection of late payments.
4. Taxes and Other Charges. Any manufacturer's tax, occupation tax, use tax, sales tax, excise tax, value added tax, duty, custom, inspection or testing fee, or any other tax, fee, interest or charge of any nature whatsoever imposed by any governmental authority on or measured by the transaction between Seller and Buyer shall be paid by Buyer in addition to the prices quoted or invoiced. In the event Seller is required to pay any such tax, duty, custom, fee, interest or charge, Buyer shall reimburse Seller therefor on demand.
5. Shipment, Risk of Loss and Title. Unless otherwise specified in writing by Buyer, Seller shall place the goods in the possession of a carrier and make such a contract for their transportation as may be reasonable, having regard for the nature of the goods and good commercial standards. If Buyer does not specify the carrier upon placement of the order, Seller shall have the right to designate the carrier. Risk of loss of the goods shall pass to Buyer at the time the goods are tendered for shipment. Title to the goods shall remain with Seller until payment in full is received by Seller. Cancellation, modification, suspension or delay in shipment of Buyer's order will not be accepted on terms that will not fully indemnify Seller against loss.
6. Delivery; Claims. Unless otherwise provided in this document, goods shall be delivered to Buyer F.O.B. Seller's loading dock in Baraboo, Wisconsin or, for ultimate destinations outside of the United States, EXW Seller's loading dock (as the latter shipping term is defined in Incoterms 2000). Buyer shall bear all expenses paid or incurred by Seller in delivering the goods. Shipments, deliveries and performances of work shall at all times be subject to the approval of Seller's credit department. Seller reserves the right to make delivery in installments, unless otherwise expressly stipulated herein; all such installments to be separately invoiced and paid for when due per invoice. Delay in delivery of any installment shall not relieve Buyer of its obligations to accept remaining deliveries. All delivery dates are approximate. All claims for shortage or other errors in delivery must be made in writing within ten (10) days after delivery of the goods with respect to which the claim is made, and failure to give such notice shall constitute unqualified acceptance and waiver of all such claims by Buyer. Any claims for loss or damage to goods in transit shall be made to the carrier and not to Seller.
7. Force Majeure. Seller shall not be liable for any damage as a result of any delay or failure to deliver due to any cause beyond Seller's reasonable control, including, without limitation, any act of God, act of Buyer, embargo or other governmental act, regulation or request, flood, fire, accident, strike, slowdown, war, act of terrorism, riot, delay in transportation or inability to obtain necessary labor, materials or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost because of the delay. Buyer's exclusive remedy for other delays and for Seller's inability to deliver for any reason shall be rescission of this agreement.
8. Containers. Pricing includes packaging in accordance with industry standard practices. An extra charge may be imposed for compliance with special packaging instructions. All returnable containers used in connection with shipments of Seller's goods are the property of Seller and are loaned to Buyer. Buyer shall use such containers only for reasonable storage of Seller's goods originally delivered therein and shall return such containers in good condition when empty. Seller will pay return freight charges on such empty containers from points in the continental United States.
9. Security Interest. In order to secure full payment of the purchase price and all other amounts due hereunder, Buyer hereby grants to Seller (i) a first priority purchase money security interest in the goods sold to Buyer by Seller and (ii) a first priority security interest in any tooling procured by Seller in furtherance of Buyer's order(s) or provided by Buyer. In the event of an unpaid account open for more than ninety (90) days, Seller reserves the right to use such tooling to produce and sell parts therefrom. The security interest in particular goods sold by Seller shall automatically expire upon payment in full of the purchase price of those goods.
10. Warranty. Seller warrants that all goods delivered hereunder shall at the time of delivery to the carrier shall be free from defects in materials and workmanship. If any such goods shall be proved to Seller's satisfaction to be nonconforming to such warranty at the time of delivery, then the affected good will be repaired or replaced free of charge, or Seller will refund the purchase price of the affected product. Such repair, replacement or refund (whichever Seller determines, in its discretion, to provide) shall be Seller's sole obligation and Buyer's exclusive remedy for any nonconformity or deficiency in goods furnished hereunder and shall be conditioned upon Buyer's return of such goods to Seller. ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, ARE HEREBY DISCLAIMED. Any claim for breach of warranty shall be made within thirty (30) days after delivery of the goods that are the subject of such claim or shall be forever barred. It is solely Buyer's responsibility to determine whether the goods are suitable for any given application, purpose or use that may be intended by Buyer for such goods. Accordingly, any description of the goods (other than the specifications), whether in writing or made orally by Seller or Seller's employees, representatives or agents, is for the sole purpose of identifying the goods and shall not be construed as an express warranty.
11. Infringement. Seller will, at its expense, defend any suits that may be instituted against Buyer for alleged infringement of any U.S. patent, trademark or copyright relating to goods provided by Seller, and pay any final damage award therein, provided Buyer shall have made all payments then due hereunder, shall give Seller immediate notice in writing of any such suit, shall transmit to Seller immediately upon receipt all processes and papers served upon Buyer, and shall permit Seller, through its counsel, to defend or settle the same either in the name of Buyer or in the name of Seller, giving Seller all needed information, assistance and authority to enable Seller to do so. Further, if the result of any such suit is a determination or acknowledgement of infringement, then Seller shall, at Seller's option (i) obtain for Buyer the right to continue to use the goods purchased from Seller, (ii) replace the same with non-infringing goods, (iii) modify such goods so that they are non-infringing, or (iv) remove such goods and refund to Buyer the undepreciated portion of the purchase price. To the extent that any goods that Seller furnishes to Buyer are manufactured in accordance with drawings, designs or specifications proposed or furnished by Buyer, Seller shall not be liable for, and Buyer shall indemnify and hold harmless Seller from and against, any and all losses, liabilities, damages, claims and expenses (including attorneys' fees and other costs of defense) incurred by Seller as a result of any claim of patent, trademark, copyright or trade secret infringement, or infringement or any other proprietary rights of third parties.
12. Confidential Information. All proprietary and confidential information, including manufacturing or business information, supplied by Seller shall remain Seller's property. Such information shall not be reproduced, used or disclosed to others by Buyer without Seller's prior written consent. Confidential information shall not include information Buyer can demonstrate: (i) is generally available to the public other than as



the result of disclosure by Buyer in violation of this agreement or any other confidentiality obligation; (ii) is legally in Buyer's possession at the time of receipt from Seller; or (iii) is obtained by Buyer from a third party who is in lawful possession of the information and who has the right to make disclosure thereof, but only if the third party has authorized Buyer's use thereof. Immediately upon termination of this agreement, all confidential information together with any copies thereof shall be returned to Seller.

13. Waiver; Setoff. No claim or right arising out of a breach hereof can be discharged in whole or part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in a writing signed by the aggrieved party. Seller may set off any amount due from Buyer against any amount which may become due to Buyer hereunder.

14. Consequential Damages and Other Liability; Indemnity. Except as otherwise agreed in writing by Seller, Seller's liability with respect to the goods and/or services sold hereunder shall be limited to the warranties provided in Sections 10 and 11 of these Terms and Conditions, and, with respect to any breaches of its contract with Buyer, shall be limited to the contract price of the goods or services that are the subject of the claim. SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR CONTINGENT DAMAGES WHATSOEVER, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHER THEORIES OF LAW, WITH RESPECT TO GOODS AND/OR SERVICES SOLD BY SELLER, OR ANY UNDERTAKINGS, ACTS OR OMISSIONS RELATING THERETO, AND SELLER HEREBY DISCLAIMS ALL SUCH DAMAGES. Without limiting the generality of the foregoing, Seller specifically disclaims any liability for property or personal injury damages, penalties, special or punitive damages, damages for lost profits or revenues, loss of use of goods or any associated equipment, cost of capital, cost of substitute goods, facilities or services, down-time, shut-down or slow-down costs, or for any other types of economic loss, or for claims of Buyer's customers or any third party for any

such damages. Buyer shall indemnify Seller against any and all losses, liabilities, damages and expenses (including, without limitation, attorneys' fees and other costs of defense) which Seller may incur as a result of any claim by Buyer or others arising out of or in connection with the goods and/or services sold hereunder and based on (i) product or service defects not proven to have been caused solely by Seller's negligence or (ii) any actual or alleged infringement of any third party's intellectual property rights arising from or related to the production of products in accordance with Buyer's design or specifications.

15. Governing Language. The English-language version of these Terms and Conditions shall govern and control any translation hereof into any other language.

16. Cancellation. In the event of a cancellation of an order, any completed portion of the order will be invoiced and payable at the price specified herein. All special materials, tooling, and equipment procured for the performance of the order will be invoiced and payable in the amount of Seller's cost.

17. Tooling. Tooling billed to Buyer becomes the property of Buyer upon payment in full. Seller shall be responsible only for general maintenance and not for any special maintenance, wear and tear, or other deterioration. Replacement or rebuilding required at the end of the tooling's normal useful life may be billed at additional cost to Buyer. Tooling revisions due to changes in normal useful life may be billed at additional cost to Buyer. Tooling revisions due to changes in specifications, tolerances, or other Buyer requirements will be done at additional cost to Buyer. Because tooling charges do not include engineering and design services that have been provided by Seller, tooling shall remain in Seller's possession for at least (2) years. Tooling removed prior to that will be subject to a 100% surcharge. [Seller shall not be obligated to carry property/casualty insurance on Buyer tooling in Seller's possession.]

18. Over-Runs and Under-Runs. Unless otherwise specified on the order, over-runs or under-runs not exceeding 10% of the quantity ordered are acceptable.