

**RHETECH**  
**PURCHASE ORDER TERMS AND CONDITIONS**

1. **ACCEPTANCE.** Unless otherwise provided herein it is agreed that this Purchase Order is an offer by RheTech (“Buyer”) to Seller and creates in Seller a binding power of acceptance. The submission and/or delivery by Seller, or the commencement of any work or performance of any services hereunder by Seller, including with respect to samples, shall constitute an acknowledgement by Seller of Seller’s acceptance of this Purchase Order and all of the terms and conditions contained herein, and that this agreement and any performance hereunder is expressly limited to such terms and conditions of the Purchase Order, and shall not be modified except in writing signed by the Buyer.

2. **PACKING, MARKING AND SHIPPING.**

A. All material shall be properly packed, marked and shipped in accordance with the requirements of common carriers in a manner to secure lowest transportation rates. No charges will be allowed for transportation unless otherwise indicated. Seller shall route shipments in accordance with Buyer’s instructions on front of this order.

B. Unless otherwise specified herein, Seller shall properly mark each package with Buyer’s order number and part number where multiple packages comprise a single shipment, each package shall also be consecutively numbered. Seller’s name must appear on all packages. All packages must contain individual gross and net or tare and net weights.

C. All shipping and delivery terms contained herein shall be governed by International Chamber of Commerce *Incoterms 2010* and are incorporated herein by reference, with specific reference made to Free Carrier (FCA), Carrier and Insurance Paid (CIP), Delivered at Place (DAP), and Delivered Duty Paid (DDP). To the extent any terms or conditions contained in this Agreement are inconsistent with Incoterms 2010, the terms contained herein shall govern.

3. **PACKING SLIPS, BILLS OF LADING AND INVOICES.**

A. Each packing slip, bill of lading and invoice shall bear the applicable purchase order number and the location of the plant to which materials are to be shipped and the Seller’s name. Final packing slips, packages and invoices shall be marked, “This completes your order.”

B. Original bill of lading or other shipping receipt for each shipment shall be promptly forwarded by Seller to Buyer’s Purchasing Department and/or administration office.

C. Two (2) copies of Seller’s invoice showing prices and extensions, must be mailed in accordance with directions appearing on the face of this Purchase Order. Separate invoices are required for each, individual shipment unless otherwise approved by Buyer, and Seller must provide Buyer with the date, bill of lading for the shipment, weight and number of packages in each invoice. Any cash discount period available to Buyer will begin from Buyer’s receipt of the invoice, or the receipt of the materials and/or labor, whichever is later. If an invoice is returned to Seller for correction, the cash discount period will begin from the receipt of the corrected invoice.

4. **SHIPPING RELEASES.** Unless specific delivery dates are provided in this purchase order, Seller shall not fabricate any of the supplies covered by this purchase order or procure any of the materials required in their fabrication or ship any of such materials to Buyer, except to the extent authorized in written instructions furnished to Seller by Buyer. Shipments in excess of those authorized may be returned to Seller and Buyer may deduct for reasonable

packing, handling, sorting and transportation expenses incurred in connection with such shipments.

5. **INSPECTION.** All articles ordered and all parts, materials and workmanship related to this Purchase Order may be inspected and tested by Buyer during normal business hours prior to Acceptance by Buyer. If any of the articles ordered are defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase Order, Buyer in addition to all other rights, may reject the same for full credit and require prompt action or replacement at Seller's expense. Rejected supplies and/or materials may be returned to Seller at Seller's risk and at Seller's expense.

6. **TOOLS.** Unless otherwise herein agreed, Seller at its own expense shall keep in good condition all tools, gauges, fixtures, and patterns necessary for the production of the material ordered. The cost of changes in the aforementioned items necessary to effect design or specification changes ordered by the Buyer, shall be paid for by Buyer but only to the extent expressly approved by Buyer in writing. Seller shall not sell or otherwise dispose of said tools, gauges, fixtures and patterns without the prior written consent of the Buyer.

7. **CONSIGNED PROPERTY.** Unless otherwise provided in this Purchase Order or in any other written agreement signed by Buyer and Seller, all supplies, materials, facilities, tools, jigs, dies, fixtures, patterns and equipment furnished to Seller by Buyer to perform this Purchase Order shall remain the property of Buyer. Seller agrees to indemnify and hold harmless the Buyer from any and all claims, costs and expenses, including attorneys' fees, damages and liabilities arising out of or in any way related to any loss, destruction or claim applicable thereto. Seller shall protect Buyer against loss of such property by fire or other hazard by means of proper insurance. Such property shall at all times be properly housed, and maintained by Seller, shall be deemed to be personally, shall be so marked by Seller, shall not be commingled with the property of Seller or with that of a third person, and/or shall not be moved from Seller's premises without Buyer's prior written approval. Upon request of buyer all such property shall be delivered to Buyer by Seller, at any location designated by Buyer, at Seller's risk and expense, and shall be properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect such property.

8. **SELLER'S WARRANTIES.** Seller expressly warrants that all articles, materials, or parts ordered and services covered by this Purchase Order, will conform to the specifications, drawings, samples or other description furnished or adopted by Buyer and will be merchantable of good workmanship and material and free from defect. Any claimed breach of warranty by Buyer shall be given to Seller within a reasonable time. Buyer's approval of Seller's design, material or services provided shall not be construed to relieve Seller of the warranties set forth herein.

9. **RISK OF LOSS AND TITLE.** Seller assumes all risk of loss or damage to articles ordered, work in process, and Seller shall retain title to articles ordered until delivery to and acceptance by Buyer at the named destination.

10. **MODIFICATION OF PURCHASE ORDER.** This Purchase Order may only be amended or modified in writing and supersedes all prior understandings, transactions, and communications or writings with respect to the matters referred to herein. In the event of a

conflict in terms, the terms of this agreement shall exclusively control the transaction(s) between the parties related to this Purchase Order.

11. **GOVERNING LAW, JURISDICTION AND VENUE.** This Purchase Order and the Performance hereunder and all lawsuits, arbitration, remedies, special proceedings, or other proceedings in any way connected with, by reason of or in relation to this Purchase Order shall be construed, governed and enforced in accordance with, under and pursuant to the laws of the State of Michigan to the exclusion of the law of any other forum. The Buyer and Seller hereby stipulate and consent to the jurisdiction of the courts of the State of Michigan and venue in the County of Oakland, State of Michigan.

12. **DISCLAIMER.** Buyer assumes no liability or responsibility for any loss or damage which results from the use of any product or services related to this Purchase Order. Buyer shall not be liable for special, incidental or consequential damages. No statement contained herein is to be construed as a recommendation to use any product or process in conflict with any patent. Any representations and/or results reported are typical and believed to be accurate based on reasonably reliable procedures.

13. **INDEMNIFICATION.** Seller hereby agrees to indemnify and hold Buyer harmless from any and all claims, actions, suits, proceedings, costs and expenses, including attorneys fees, damages, and liabilities at law or in equity, arising out of, connected with or resulting from this Purchase Order including, but not limited to, any such claims, actions, suits, proceedings, costs and expenses arising out of or in any way connected with the providing of services and/or labor by Seller, or the performance by Seller under a subcontract arrangement. Seller's obligation to indemnify and hold harmless the Buyer will survive the expiration of the Purchase Order and the completion and/or delivery of products or services provided or in any way related to the Purchase Order.

14. **REMEDIES OF BUYER UPON SELLER'S DEFAULT.** Seller shall, without limitation, be in default of this Purchase Order if Seller shall become insolvent, if at any time the property of the Seller is seized or otherwise in the possession of a receiver or trustee; or if Seller shall fail to ship goods to Buyer at the time requested; but Seller shall not be in default for non-performance due to fire, natural disaster, strike, riot, federal or state laws or regulations, acts or defaults of common carriers or other causes beyond the reasonable control of Seller provided Seller provides Buyer prompt written notice thereof.

In the event of Seller's default, Buyer may exercise the following remedies: (a) terminate this Purchase Order; or (b) terminate this Purchase Order as to the portion of goods in default only and purchase an equal quantity of goods of the same kind and grade (or character) and recover from Seller the excess of the price so paid over the purchase price set forth in this Purchase order, plus any incidental loss or expenses; or (c) terminate this Purchase Order as to any unshipped balance and recover from the Seller 20% of the purchase price of the unshipped balance as liquidated damages. In addition, Buyer shall also have all of the remedies provided by the Uniform Commercial Code as enacted in the State of Michigan.

15. **DEFINITIONS.**

A. **"Seller"** means the party selling the goods to Buyer.

B. “**Buyer**” means the party purchasing or buying goods from Seller: RheTech, Inc., a Michigan corporation, its affiliates, successors, or assigns means.

C. “**FCA [named place]**” or “**Free Carrier [named place]**” means that Seller shall deliver the goods, cleared for export, to the carrier nominated by Buyer at the named place. If the named place of delivery is Seller’s premises, Seller is responsible for loading the goods on the carrier’s mode of transport, and delivery is complete when Seller loads the goods. If the named place of delivery occurs at any other place, Seller is not responsible for unloading the goods from Seller’s mode of transport and delivery is complete when Seller places the goods at the carrier’s disposal. Buyer may permit Seller to contract for carriage at Buyer’s risk and expense. If applicable, Seller shall arrange for export clearance and shall be responsible for export expenses, including but not limited to any export duties, taxes, licenses, official authorizations, customs formalities and other charges payable upon export, if any. Seller’s completed delivery to the carrier nominated by Buyer transfers title and the risk of loss or damage to the goods from Seller to Buyer. Buyer shall be responsible for and assume all responsibility and costs relating to the goods from the time Seller’s delivery is complete, including but not limited to any carriage of the goods, import costs, transit and insurance, if any. Buyer shall pay the costs of any pre-shipment inspections except when such inspections are mandated by the authorities of the country of export.

D. “**CIP [named place of destination]**” or “**Carriage and Insurance Paid to [named place of destination]**” means that Seller shall deliver the goods, cleared for export, to the carrier nominated by Seller at the named place. Seller shall contract for carriage and pay the cost of carriage necessary to bring the goods to the named destination. If applicable, Seller shall arrange for export clearance and shall be responsible for export expenses, including but not limited to any export duties, taxes, licenses, official authorizations, customs formalities and other charges payable upon export, if any. Seller shall contract and pay for minimum-cover insurance against Buyer’s risk of loss or damage to the goods during the carriage to the named place of destination. Buyer shall bear all risks and any additional costs occurring after the goods have been delivered to the carrier nominated by Seller. Buyer shall be responsible for and assume all responsibility and costs relating to the goods from the time Seller’s delivery is complete, except that Seller shall pay the cost of carriage to the named place of destination. If applicable, Buyer shall obtain import licenses and shall bear the cost of all customs formalities, duties, and taxes for the import of the goods and for their transit from the named place of destination. Buyer shall pay the costs of any pre-shipment inspections except when such inspections are mandated by the authorities of the country of export. If multiple carriers are used for the carriage to the agreed destination, Seller’s duties and responsibilities are complete when Seller delivers the goods to the first carrier. Title and risk of loss or damage to the goods passes from Seller to Buyer when Seller completes delivery to the first carrier nominated by Seller.

E. “**DAP [named place of destination]**” or “**Delivered At Place [named place of destination]**” means that Seller shall deliver the goods to the named place of destination. Seller shall contract for carriage and pay the cost of carriage necessary to bring the goods to the named destination. If applicable, Seller shall arrange for export clearance and shall be responsible for export expenses, including but not limited to any export duties, taxes, licenses, official authorizations, customs formalities and other charges payable upon export, if any. Seller’s delivery shall be complete when the goods are placed at the disposal of the Buyer or party nominated by Buyer on the arriving means of transport ready for unloading at the named place of destination. Seller shall bear all risks of loss and of damage to the goods in bringing the goods to the named place. Title and risk of loss or damage to the goods transfers from Seller to

Buyer when the goods are delivered at the named place of destination. If applicable, Buyer shall obtain import licenses and shall bear the cost of all customs formalities for the import of the goods and for their transit from the named place of destination. Buyer shall pay the costs of any pre-shipment inspections except when such inspections are mandated by the authorities of the country of export.

F. **“DDP [named place of destination]”** or **“Delivered Duty Paid [named place of destination]”** means that Seller shall deliver the goods to the named place of destination. Seller shall contract for carriage and pay the cost of carriage necessary to bring the goods to the named destination. If applicable, Seller shall arrange for export and import clearance and shall be responsible for export and import expenses, including but not limited to any export and import duties, taxes, licenses, official authorizations, customs formalities and other charges payable upon export and import, if any. Seller’s delivery shall be complete when the goods are placed at the disposal of Buyer on the arriving means of transport ready for unloading at the named place of destination. Seller shall bear all risks of loss and of damage to the goods in bringing the goods to the named place of destination. Title and risk of loss or damage to the goods transfers from Seller to Buyer when the goods are delivered at the named place of destination. Buyer shall pay the costs of any pre-shipment inspections except when such inspections are mandated by the authorities of the country of export.

G. **“Blacksburg”** means Seller’s premises located at 221-A York Road, Blacksburg, South Carolina, USA 29702, when used on a purchase order or other similar document as part of a shipping or delivery term.

H. **“Fowlerville”** when used as part of a shipping or delivery term means Seller’s premises located at 9201 West Grand River, Fowlerville, Michigan, USA 48836, when used on a purchase order or other similar document as part of a shipping or delivery term.

I. **“Sandusky”** means Seller’s premises located at 2901 W. Monroe Street, Sandusky, Ohio, USA 44870, when used on a purchase order or other similar document as part of a shipping or delivery term.

J. **“Whitmore Lake”** means Seller’s premises located at 1500 E. North Territorial Road, Whitmore Lake, Michigan, USA 48189, when used on a purchase order or other similar document as part of a shipping or delivery term.