



Terms and Conditions of Purchase

Schunk Xycarb Technology, Inc.
Georgetown, Texas, USA

1. DEFINITIONS in these Conditions:

“**SXT**” means Schunk Xycarb Technology, Inc. and any company or other entity that controls or is controlled by or is under common control with Schunk Xycarb Technology, Inc.;

the “**Goods**” and “**Services**” means respectively the goods and the services or any part of them described in the Order;

the “**Order**” means the document from SXT to Supplier identifying the Goods and Services;

the Goods and Services furnished by Supplier and covered by the Order are governed by all the terms and conditions (“**Conditions**”) set forth herein;

the “**Price**” means the price of the Goods and Services as set out in the Order;

the “**Supplier**” means the person, firm or company named as such (or as “Vendor”) in the Order as responsible for supplying the Goods and Services and includes the Supplier’s legal representatives, successors and permitted assigns; and

“**Purchase Agreement**” collectively refers to the Order and these Conditions.

2. ACCEPTANCE OF ORDER

2.1 These Conditions supersede all other terms and conditions and all other previous commitments, verbal or written between the parties pertaining to the Goods and Services. The following constitutes acceptance of the Order by the Supplier on these Conditions: (a) execution and return by the Supplier of the acknowledgement copy of the Order, (b) the Supplier’s failure to react to the Order within five (5) calendar days after receipt thereof or (c) the execution or commencement of performance or the commencement of delivery pursuant to the Order. The acceptance of the Order is expressly limited to and conditional upon acceptance by the Supplier of these Conditions. Additional or different terms proposed by Supplier (including, but not limited to, delivery tickets, quotations, proposals, conditions in any invoice, or any verbal or written communication made by Supplier to SXT) are hereby object to and rejected, and shall apply only if and insofar as additional or different terms proposed by Supplier have been expressly accepted in writing by SXT. Acceptance of products or services delivered under this Order shall not constitute acceptance of Supplier’s terms and conditions.

2.2 These Conditions shall also apply to any orders made by SXT online, over the Internet or by any other electronic means.



3. AUTHORIZATION

SXT is not bound by the Order unless the Order has been placed on behalf of SXT by a duly authorized buyer.

4. GOODS AND SERVICES

It is a condition of the Order that: (a) the Goods meet the specifications referred to in the Order as to quantity, quality and description and other information or instructions specified or made known to the Supplier, and (b) the Services are provided in accordance with the terms of the Order and are executed with the highest professional and technical standards and in an expeditious and efficient manner consistent with sound professional practices ("Standard of Care"). If the Goods or Services include or relate to any substance, material or waste that is classified, regulated or otherwise characterized under any state or federal environmental law as hazardous, toxic, a contaminant or a pollutant or by other words of similar meaning or regulatory effect ("Hazardous Materials"), Supplier shall strictly adhere to all laws related thereto and, as an express condition precedent to introducing any such Hazardous Materials on SXT property, Supplier must: (i) make a written request to SXT, in which Supplier shall identify the Hazardous Materials to be introduced; and (ii) obtain written approval therefor from SXT. Notwithstanding any statement or forecast of quantity communicated by SXT to Supplier or any course of dealing between the parties, it is agreed and understood that the quantities forecasted are only estimates and do not imply a firm commitment on behalf of SXT. SXT shall not be required to order, take or pay Supplier for any fixed minimum quantity of Goods or Services or any quantity of Goods or Services. Supplier must notify SXT promptly (in writing) in the event Supplier knows or has reason to believe it will deliver Goods and furnish Services exceeding the Price described in the Order; SXT has no obligation to pay for Goods and Services to the extent the costs for same exceed the Price. Any reviews, inspections, approvals performed or issued by SXT hereunder (or a failure or forbearance by SXT to perform or issue the same) shall not operate to release the Supplier from any of its obligations under the Order.

5. DELIVERY OF GOODS / PROVISION OF SERVICES

5.1 TIME IS OF THE ESSENCE AS IT RELATES TO SUPPLIER'S OBLIGATIONS AND RESPONSIBILITIES UNDER THE ORDER. With each delivery of Goods, Supplier shall furnish to SXT written documentation identifying: (a) the date of the Order; (b) the Order number (if any), the type and quantity of Goods delivered (including code numbers/serial numbers, etc.); (c) special storage instructions, including but not limited to Material Safety Data Sheets, safety instructions and other, similar materials; and (d) if Goods are being delivered in installments, the outstanding balance of Goods remaining to be delivered.

5.2 Supplier shall deliver the Goods: (a) on the delivery date or dates specified in the Order or as otherwise directed by SXT in writing; (b) at the delivery location specified on in the Order; and (c) during Customer's normal business hours, or as instructed otherwise by SXT. Goods shipped to SXT in advance of schedule may be returned to Supplier or stored by SXT at Supplier's expense.



5.3 Supplier shall notify SXT within three (3) calendar days of receipt of the Order if Supplier is unable to make any scheduled delivery date and state (in detail) the reasons therefor. If Supplier fails to so notify SXT, Supplier shall not be entitled to seek an extension of the delivery schedule under the Force Majeure provisions hereof. Performance by Supplier shall be strictly in accordance with the performance schedule set forth in the Order. If Supplier's deliveries fail to meet such schedule, Supplier, at its expense, will (in addition and not in lieu of any other right of SXT) use an expedited method of shipment and assign additional personnel and additional resources as needed until past deficiencies are corrected and deliveries are brought back on schedule.

5.4 Supplier shall not deliver the Goods in installments without SXT's prior written consent. Where it is agreed that the Goods are to be delivered in installments, they may be invoiced and paid for separately, if specified in writing by SXT. However, failure by Supplier to deliver any one installment on time or at all, or any defect in an installment shall be deemed to be a material breach of the Purchase Agreement on the part of Supplier.

6. RESCHEDULING, CHANGES AND CANCELLATIONS

SXT reserves the right at any time to suspend any delivery or deliveries or any acceptance of delivery covered by this Purchase Agreement without any charge and to the extent and for such period as considered necessary by SXT. In addition, SXT may make other changes (including in designs and specifications) with respect to the Order, in whole or in part, by notice to the Supplier.

7. ACCEPTANCE OF GOODS AND SERVICES

SXT or SXT's representative shall have the right to inspect and test all Goods to the extent practicable and at all times and places, including the Supplier's premises, subject to SXT's giving reasonable advance notice to Supplier. SXT's right to inspect and test the Goods shall extend through the manufacturing process thereof, the time of shipment, and for a reasonable time period (*i.e.*, not less than sixty (60) calendar days) after arrival of the Goods at the destination. SXT's inspection or participation in any tests (or the failure of SXT to inspect or test) and payment by SXT shall not act to relieve Supplier of any of its obligations to conform to all of the requirements under this Purchase Agreement or impair SXT's right to reject or revoke acceptance of non-conforming Goods. In any case where the Goods (whether or not inspected or tested by SXT) do not comply with the requirements of the Order, SXT has the right to repair such Goods at the expense of the Supplier or to reject such Goods. When rejecting Goods, SXT shall give notice of rejection to the Supplier specifying the reasons for the rejection and shall return the rejected Goods to the Supplier at the Supplier's risk and expense. In that case the Supplier shall, without being granted an extension of the delivery period, replace the rejected Goods with Goods which are in all respects in accordance with the Order. The Services are subject to inspection and evaluation by SXT. In any case where the Services (whether or not inspected or evaluated by SXT) do not comply with the requirements of the Order, SXT has the right to reject such Services. If SXT rejects the provision of one or more Services, SXT shall give notice of rejection to the Supplier specifying the reasons for the rejection. In that case the Supplier shall, within a reasonable time, provide Services which are in all respects in accordance with the Order. If the



Supplier fails to replace any rejected Goods or Services with Goods or Services which are in accordance with the Order within a reasonable time as determined by SXT (in its sole and absolute discretion), SXT has the right to purchase replacement goods and services from another source. Any money paid by SXT to the Supplier in respect of the rejected Goods or Services together with any additional expenditure over and above the price reasonably incurred by SXT in obtaining replacement goods or services shall be paid by the Supplier to SXT within thirty (30) calendar days after receipt of the relevant invoice.

8. OWNERSHIP, TITLE AND RISK

8.1 The title to the Goods shall pass to SXT upon Supplier's receipt of payment from SXT therefor. Notwithstanding the foregoing, risk of loss or damage to Goods covered by this Purchase Agreement shall remain with Supplier until the delivery of the Goods to the destination specified by SXT; provided, however, the risk of loss or damage to Goods which fail to conform to the requirements hereof shall remain with Supplier until cured. The foregoing shall not operate to prejudice any right of rejection which may accrue to SXT under these Conditions or otherwise. All items including all material and components that have been transferred to the Supplier for the execution of an Order shall remain property of SXT. The Supplier shall store such materials and components separately and shall clearly mark these items as the property of SXT. SXT is at all times entitled to regain possession of such items. The Supplier shall not use such items on behalf of third parties nor will the Supplier allow third parties to use such items in connection with any purpose other than the execution of an Order. Upon receipt of any of the items referred to above, the Supplier shall check those for damage, defects and fitness for the purpose for which they have been supplied and report its findings to SXT. Liability for any damages and defects not reported to SXT immediately after receipt of the item shall be borne by Supplier.

8.2 The parties acknowledge and agree that title to all models, molds, dies, jigs, prototypes, accessories, special fixtures and other, similar materials ("Methods and Apparatuses") acquired or manufactured by or through Supplier in connection with this Purchase Agreement shall vest in SXT upon their acquisition or manufacture. The Methods and Apparatuses shall be retained by Supplier, subject to examination by SXT, at Supplier's risk and shall be replaced by Supplier, if lost, destroyed or damaged. The Supplier represents and warrants that it shall not use the Methods and Apparatuses for any customer other than SXT. Without prejudice to the other rights of SXT under this Purchase Agreement, Supplier agrees to return the Methods and Apparatuses to SXT upon request.

9. INTELLECTUAL PROPERTY

If the Supplier manufactures Goods or provides Services pursuant to specific instructions of SXT, the Supplier shall hereby assign and transfer to SXT, as a work-for-hire, all rights, title and interest in and to any and all intellectual property rights related to such Goods and Services or any other item (software, inventions, drawings, designs, other copyrightable materials, feasibility studies, improvements, developments and discoveries etc.) (collectively, the "Ideas") made, conceived, reduced to practice, or originated as a result of SXT ordering any Goods and Services. The Ideas will be the sole property of SXT, and the Supplier shall co-operate in the execution of any formalities necessary to effectuate the transfer



of the ownership of such intellectual property rights and to enable SXT to obtain, perfect, defend and enforce its rights in and to all such Ideas. If pursuant to the Order any Goods which are protected by one or more intellectual property rights owned by SXT are provided by SXT to the Supplier, the Supplier shall be licensed to use these intellectual property rights for the execution of the concerned Order only and the Supplier shall not in any way by implication or otherwise claim any title or other rights to such intellectual property rights.

10. LIMITATION OF LIABILITY

10.1 IN NO EVENT SHALL SXT BE LIABLE TO SUPPLIER OR THOSE CLAIMING BY, THROUGH OR UNDER SUPPLIER FOR ANTICIPATED OR LOST PROFITS OR FOR SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE PURCHASE AGREEMENT (OR FROM THE PERFORMANCE OR BREACH THEREOF).

10.2 IN ANTICIPATION OF THE RELATIVE RISKS, REWARDS AND BENEFITS OF THE PURCHASE AGREEMENT TO BOTH SUPPLIER AND SXT, THE RISKS HAVE BEEN ALLOCATED SUCH THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF SXT TO SUPPLIER AND THOSE CLAIMING BY, THROUGH OR UNDER SUPPLIER, FOR ANY AND ALL ACTIONS, JUDGMENTS, INJURIES, CLAIMS, COSTS, LOSSES, EXPENSES, DAMAGES, OR CLAIM EXPENSES ARISING OUT OF OR IN CONNECTION WITH THE PURCHASE AGREEMENT (OR FROM THE PERFORMANCE OR BREACH THEREOF), FROM ANY CAUSE AND ALL CAUSES SHALL NOT EXCEED AN AMOUNT EQUAL TO THE COMPENSATION ACTUALLY PAID BY SXT TO SUPPLIER FOR THE GOODS OR THE SERVICES OR UNIT THEREOF WHICH GIVES RISE TO THE CLAIM. SUCH CAUSES INCLUDE, BUT ARE NOT LIMITED TO, SXT'S NEGLIGENCE, ERRORS, OMISSIONS, STRICT LIABILITY, BREACH OF CONTRACT, OR BREACH OF WARRANTY, IF ANY.

10.3 For the avoidance of doubt, Supplier acknowledges and agrees that nothing contained herein shall operate to limit Supplier's potential liability to SXT or in any manner restrict SXT from recovering from Supplier any losses including reasonable attorneys' fees, and any other actual, incidental, indirect, special or consequential damages, and SXT may exercise all rights and remedies as may be available to SXT. Notwithstanding anything herein to the contrary, nothing herein shall operate to limit any rights SXT may have against Supplier at law or in equity.

11. INDEMNITIES

11.1. Indemnification – General. TO THE FULLEST EXTENT PERMITTED BY LAW, THE SUPPLIER SHALL INDEMNIFY, DEFEND (WITH COUNSEL ACCEPTABLE TO SXT) AND HOLD HARMLESS SXT, SXT'S CUSTOMERS, AND THEIR RESPECTIVE AGENTS, PARENTS, AFFILIATES, ASSIGNS, EMPLOYEES, OFFICERS, DIRECTORS, MEMBERS, SUCCESSORS-IN-INTEREST, AND PARTNERS (COLLECTIVELY, "INDEMNIFIED PARTIES" AND INDIVIDUALLY, "INDEMNIFIED PARTY") FROM AND AGAINST ALL LOSSES, EXPENSES, ATTORNEYS' FEES CLAIMS, LIABILITY, DEMANDS, SUITS, CAUSES OF ACTION, DAMAGES, SETTLEMENTS, FINES, AND PENALTIES OF EVERY KIND (EXCEPT AS HEREINAFTER EXCLUDED) INCLUDING ALL EXPENSES AND COSTS OF LITIGATION, ARBITRATION, SETTLEMENT, DISPUTE RESOLUTION, OR CLAIM ADJUSTMENT AND



INCLUDING, CONSEQUENTIAL, INCIDENTAL, OR SPECIAL DAMAGES OF ANY NATURE (COLLECTIVELY, "CLAIMS" AND INDIVIDUALLY, "CLAIM") ARISING OUT OF OR RESULTING FROM SUPPLIER'S PERFORMANCE UNDER THIS SERVICE AGREEMENT AND CAUSED IN WHOLE OR IN PART BY THE FAULT, ACT, OMISSION OR NEGLIGENCE OF SUPPLIER, SUPPLIER'S SUBCONTRACTORS AND SUPPLIERS OF ANY TIER, SUPPLIER'S AGENTS AND EMPLOYEES OR ANY THIRD PARTY UNDER THE SUPPLIER'S DIRECTION AND CONTROL. IT BEING THE EXPRESS INTENT OF THE PARTIES THAT THE SUPPLIER SHALL INDEMNIFY AND DEFEND AN INDEMNIFIED PARTY UNDER THIS SECTION EVEN TO THE EXTENT A CLAIM IS CAUSED IN PART BY THE FAULT, ACT, OMISSION OR NEGLIGENCE OF THE INDEMNIFIED PARTY.

11.2. Indemnification – Patent Infringement. SUPPLIER AGREES TO INDEMNIFY, DEFEND AND HOLD THE INDEMNIFIED PARTIES HARMLESS FROM AND AGAINST ALL LIABILITY, LOSS, DAMAGE, AND EXPENSE, INCLUDING ACTUAL COUNSEL FEES, RESULTING FROM ANY ACTUAL OR CLAIMED TRADEMARK, PATENT OR COPYRIGHT INFRINGEMENT WITH RESPECT TO ANY PART OF THE GOODS COVERED BY THIS PURCHASE AGREEMENT OR THEIR USE, AND SUCH OBLIGATION SHALL SURVIVE ACCEPTANCE OF THE GOODS AND PAYMENT THEREFOR BY SXT. In addition to, and not in lieu of, Supplier's indemnification and defense obligations hereunder, if by virtue of a patent infringement suit, an injunction is issued against Supplier, SXT, or an SXT customer that prohibits or limits the use of any items provided by or through Supplier, Supplier shall, at SXT's request, either (i) immediately supply SXT with non-infringing replacement Goods of similar kind and quality at no additional cost, (ii) procure for SXT a license to use infringing Goods at no additional cost to SXT, or (iii) modify the infringing Goods to make them substantially equal but non-conforming, all at no additional cost to SXT.

12. INSURANCE

12.1 Supplier shall continuously maintain in full force and effect the following insurance coverages, from the Effective Date hereof until six (6) years from the termination of this Purchase Agreement or performance/delivery of the Goods and Services, whichever occurs later:

(a) Commercial General Liability ("CGL") insurance covering claims for bodily injury or property damage arising from this Purchase Agreement. Limits of Supplier's CGL policy will not be less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) annual aggregate. Supplier's CGL insurance will be written on an occurrence basis.

(b) Excess Liability insurance over Supplier's CGL policy, following form over and affording coverage no less broad than the coverage in such underlying CGL policy in an amount not less than Five Million Dollars (\$5,000,000) per occurrence and in the annual aggregate.

(c) Professional Liability insurance covering performance of any incidental professional services performed by Supplier in connection with this Purchase Agreement, with policy limits of not less than One Million Dollars (\$1,000,000) per claim and One Million Dollars (\$1,000,000) annual aggregate.



12.2 Supplier shall provide certificates of insurance acceptable to SXT evidencing compliance with the requirements of this Article at the following times: (i) prior to commencement of Supplier's performance under this Purchase Agreement; and (ii) upon SXT's written request.

12.3 Supplier agrees to provide SXT with complete copies of all insurance policies required hereunder within five (5) calendar days of a written request from SXT requesting such policies.

12.4. SXT shall be named as an additional insured on Supplier's CGL and Excess Liability policies of insurance providing coverage to maximum extent permitted by law.

12.5 Supplier shall cause its insurer(s) to waive all rights of subrogation against SXT for all policies of insurance required hereunder. Supplier shall also cause all policies of insurance whereby SXT is named as an additional insured to be primary and non-contributory with any policy(ies) of insurance carried by SXT as a named insured.

12.5.1 SUPPLIER HEREBY WAIVES AND RELEASES ALL CLAIMS AGAINST SXT TO THE EXTENT SUCH CLAIMS ARE COVERED OR SHOULD BE COVERED BY THE INSURANCE REQUIRED HEREIN. THE FOREGOING WAIVER OF CLAIMS APPLIES EVENT IF SUCH CLAIMS ARE CAUSED IN WHOLE OR IN PART BY THE FAULT, ACTS OR OMISSIONS OF SXT.

13. PACKAGING

The Supplier shall package and label the Goods in a manner suitable for transit and storage at the Supplier's expense in accordance with the Order. All packaging other than returnable packing shall become SXT's property unless SXT indicates otherwise, in which case the Supplier shall be obliged to dispose of the packaging at its own risk and expense. Consignments which do not meet the requirements of the Order may be refused by SXT. For the avoidance of doubt, and notwithstanding the foregoing, Supplier shall be obligated to take back any and all packaging (including sustainable or returnable packaging) if, when and to the extent requested by SXT (Supplier's "Take-Back Obligation"). The place of performance for Supplier's Take-Back Obligation shall be location where Supplier is required to deliver Goods pursuant to this Purchase Agreement; Supplier shall bear all costs associated with its Take-Back Obligation and transportation of any such packaging off of SXT's premises.

14. PRICE

The Price shall include all royalties, license fees, taxes, excise, duties and costs, both direct and indirect, of supplying the Goods and Services which either party is required to pay with respect to the production, sale, use or shipment of the Goods covered by this Purchase Agreement and all charges for packing, loading, insurance, shipping and unloading. If the Order is placed on a "price to be agreed" basis, the Supplier shall obtain SXT's confirmation of the price to be paid before the Supplier invoices SXT for the Goods and Services. For the avoidance of doubt, transportation costs are designated as part of the Price; Supplier shall remain liable for any and all damage to the Goods, until final acceptance by SXT.



15. TERMINATION

15.1 Termination for Cause. Notwithstanding anything else to the contrary herein, SXT may terminate the whole or part of the Order at no liability or obligation to the Supplier at any time by written notice to the Supplier if the Supplier: (a) fails to comply with any of the terms and conditions of the Order, (b) becomes insolvent, files a Petition in Bankruptcy, or is adjudicated bankrupt, or makes a general assignment to the benefit of its creditors, or cannot pay its debts as they generally become due, (c) suspends its business operations or otherwise fails to operate its business in the ordinary course, (d) is acquired by or merged with any third party or (e) fails to satisfactorily respond to SXT's request for delivery assurances. For the purpose of sub clauses (a) up to and including (e), "the Supplier" shall include the Suppliers, subcontractors and suppliers. If any of the events described in sub clauses (a) up to and including (c) occurs or is about to occur, the Supplier shall notify SXT immediately. If any of these events occur, SXT may, at its discretion and in addition to any of its other rights, return at the Supplier's risk and expense any Goods delivered which are no longer usable and claim a refund of the payments made for these Goods, or, after a written notification to the Supplier, complete the Order itself or engage a third party to do so. Any unearned payments made to Supplier by SXT shall be returned to SXT promptly following Supplier's receipt of notice of termination pursuant to this Section 15.1.

15.2 Termination for Convenience. SXT may terminate this Purchase Agreement in whole or in part at any time for convenience and will reimburse Supplier for only those reasonable, substantiated, and necessary costs incurred directly in its performance hereunder to the date of termination. All finished Goods, designs, plans and work in process that relates to this Purchase Agreement shall become the property of SXT upon payment following a termination for convenience. SXT shall have the right to return any or all materials hereunder to Supplier as a whole or partial termination for convenience hereof. SXT's sole liability resulting from such return shall be the cost of shipping or delivering such Goods to Supplier unless such Goods are rejected for non-conformance or for late delivery, which will result in Supplier being responsible for shipping and delivery costs. Supplier hereby agrees to waive any and all restocking fees related to return of any Goods hereunder and specifically agrees this Section cannot be modified unless done so in writing and signed by both parties affirmatively modifying this Section.

15.3 The rights or remedies of SXT hereunder are not exclusive, and SXT shall be entitled alternatively or cumulatively, subject to the other provisions of this Order, to damages for breach, to an order requiring specific performance or to any other remedy available at law or in equity. Termination of the Order will not affect the rights and obligations that are intended by the parties to survive the termination.

16. GOVERNMENT CONTRACTS

In the event that the Goods or Services furnished by Supplier pursuant to the Purchase Agreement are to be used in the performance of a contract between SXT and a governmental entity ("Government Contract") which is referred to on the fact of the Order or in Supplier's quotation, confirmation or acknowledgement, Supplier agrees to comply with all federal and state laws, orders and regulations



applicable to such Government Contract and agrees that the terms, conditions, and requirements of Title 15, Chapter 72A of the United States Code (Creating Helpful Incentives to Produce Semiconductors (“CHIPS”) for America Act) and any other clauses mandatorily required by federal or state law to be included in government contracts and subcontracts are hereby incorporated by reference and expressly made a part of the Purchase Agreement as if fully set forth herein.

17. WARRANTY

17.1 The Supplier represents, warrants, and covenants that: (a) the Goods shall be new and free from defects in workmanship, material, manufacture, and design and shall be free and clear of any liens, claims, encumbrances and other restrictions; (b) the Services shall meet the Standard of Care; (c) the Goods and Services shall conform to specifications and other requirements of SXT and SXT’s customer(s) (as applicable); (d) the Goods and Services shall be merchantable, fit for a particular purpose and sufficient for the use intended by SXT and SXT’s customer(s) (as applicable); (e) the Goods and Services shall comply in all respects with any statutes, laws, rules or regulations; and (f) the purchase, sale, use, and license of the Goods and Services shall in no way constitute an infringement or other violation of any copyright, trade secret, trademark, patent or other proprietary right of any third party. The foregoing warranties are in addition to all other warranties made by Supplier to SXT (whether at common law or otherwise), expressed or implied, and shall survive any delivery, inspection, acceptance and payment by SXT. SXT’s acceptance of the Supplier’s material or design shall not relieve the Supplier of the warranties set forth herein. The Supplier’s warranty shall be effective for a period of two (2) years from the date of SXT’s final acceptance of the Goods or Services. This warranty shall run to SXT’s customers and other users of its products. The warranty period shall be extended by the time the Goods cannot be used due to a defect covered by this warranty or in the event SXT’s relevant agreement(s) with a customer requires a longer warranty period beyond that set forth in this Section.

17.2 If any Good or Service does not conform to the foregoing warranty or the other requirements of this Order (the “non-complying Product”), SXT may, at its sole discretion, (i) require the Supplier to deliver a replacement or repair the Good or provide a conforming Services to SXT no later than ten (10) calendar days after SXT’s notice of non-compliance, (ii) repair or replace the non-complying Product and recover from the Supplier SXT’s reasonable expenses of same or (iii) return such non-complying Product, at the Supplier’s expense to the Supplier, and recover from the Supplier the price thereof. The foregoing remedies are in addition to all other remedies at law or in equity or under this Order, for damages or otherwise, and shall not be deemed to be exclusive.

18. ASSIGNMENT AND SUB-CONTRACTING

The Supplier may not assign or transfer or purport to assign or transfer a right or obligation under the Order in whole or in part without the prior written consent of SXT. The Supplier may not subcontract the performance of the whole or any part of the Order without the prior written consent of SXT. Such consent shall not release the Supplier from any obligation or liability arising from an Order. The Supplier shall impose these Conditions and the relevant part of the Order upon each third party engaged in the



performance of the Order. If a contract between the Supplier and a third party is terminated on the grounds identified in Section 15.1, the Supplier's rights under such contract shall pass to SXT on SXT's specific written demand.

19. PAYMENT

19.1 Supplier shall invoice SXT for Services that have been provided and Goods that have been delivered in accordance with the Purchase Agreement. Supplier shall ensure that invoices submitted include accurate and complete information (including all supporting documentation SXT requests to substantiate payments). If SXT elects to receive invoices electronically, Supplier will comply with SXT's instructions for electronic submission (and shall bear any reasonable, related expenses). Supplier acknowledges and agrees that its failure to comply with the invoice requirements outlined in these Conditions may result in a delay in payment by SXT and a postponement of the due date until such time that Supplier has remedied such non-compliance.

19.2 Unless otherwise provided in writing by SXT, payment terms shall be net sixty (60) calendar days. The terms of any payment provided for the Order, and all related discounts, shall be calculated from: (a) the date the Goods covered by an invoice are received by SXT; (b) the date the Services covered by an invoice are completed by Supplier; (c) the date the Goods covered by an invoice are scheduled to be received by SXT; (d) the date the Services covered by an invoice are scheduled to be completed by SXT; or (e) the date an acceptable invoice is received by SXT, whichever is later.

19.3 If SXT accepts any shipment of Goods or performance of Services ahead of schedule, SXT may, in its sole and absolute discretion, make payments therefor on the basis of the scheduled date of delivery or date of performance (as applicable). The date for the calculation of SXT's entitlement to take a discount under any Supplier invoice will be: (a) the date that Goods acceptable to SXT are delivered; (b) Services acceptable to SXT are performed; or (c) the date an acceptable invoice is received by SXT, whichever is later.

19.4 SXT may offset against any amounts due under Supplier's invoices: (a) any damages resulting from Supplier's default under or breach under this Purchase Agreement; (b) any amount owing from Supplier to SXT; (c) any adjustment for shortage or rejection and any costs occasioned thereby; or (d) any overcharge by Supplier. In the event that SXT becomes aware of a potential violation of any law, regulation or order, or contractual obligation by Supplier in relation to its performance hereunder, SXT may withhold, without liability or interest, any payment due associated with matters relating to such potential violation, pending investigation and resolution of such potential violation.

19.5 Acceptance of final payment by Supplier constitutes a general release of SXT from all claims and liability of whatever nature. No payment, including final payment, shall be construed as acceptance of Goods or Services, and Supplier shall remain responsible and liable for performance in strict compliance with this Purchase Agreement.



20. USE OF DATA AND INFORMATION, CONFIDENTIALITY AND ADVERTISEMENT

Supplier acknowledges that it may be or may have been furnished with or may otherwise receive or have access to information or material that relates to SXT's or an SXT customer's highly sensitive confidential, restricted or proprietary information constituting Confidential Information. For purposes hereof, "Confidential Information" is any data or information, that is important, competitively sensitive, and not generally known by the public. Confidential Information includes both tangible and intangible data in all forms and formats. Confidential Information includes, without limitation, all information relating to SXT's or an SXT customer's trade secrets, business practices, finances, pricing and cost information, customer lists, personnel information (*i.e.*, names, salaries, skills, organization charts, etc.), research and development, product road maps, inventions, discoveries, improvements, methods and processes, know-how, algorithms, materials and compositions and the performance, character and quality thereof, manufacturing techniques and speed, specifications, applications, formulae, equipment, studies, concepts, designs, ideas, prototypes, models, products, potential products, samples, writings, notes, source code, and patent applications. Supplier agrees to preserve and protect the confidentiality of Confidential Information and all of its physical forms, regardless of when disclosed. Access to Confidential Information shall be restricted to those of Supplier's personnel with a need to know and engaged in a use permitted hereby. In addition, Supplier will not disclose or disseminate the Confidential Information for its own benefit or for the benefit of any third party. It is understood that said Confidential Information shall remain the sole property of SXT and an SXT customer (as applicable). Supplier will not use Confidential Information for any purpose whatsoever other than in connection with the performance of the Services and manufacture of Goods specified in the Order. The Supplier shall not, without the prior written consent of SXT, advertise or publish in any way whatsoever the fact that the Supplier has contracted to supply the Goods and Services to SXT.

21. APPLICABLE LAWS

The Supplier shall at all times comply with all federal, state, local and governmental agency laws, ordinances, rules and regulations, including any export control laws and regulations (collectively, the "laws"), relevant or applicable to the Goods and Services to be supplied by the Supplier to SXT. While the Supplier is on SXT's premises, the Supplier shall comply with SXT's site policies, procedures and programs relevant to the Supplier's provision of goods and services.

22. GENERAL

The parties acknowledge and agree that SXT's rights and remedies under the Purchase Agreement shall be in addition to all of the rights and remedies available to SXT at law or in equity. A reference to a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time and any subordinate legislation made under the statutory provision. A failure by SXT to exercise or a delay in exercising a right or remedy provided by these Conditions or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by these Conditions or by law by SXT prevents further exercise of the right or remedy or



the exercise of another right or remedy. The Supplier and SXT are independent contractors; neither is an agent or employee of the other or has any authority to assume or create any obligation or liability of any kind on behalf of the other. If any term or provision of this Purchase Agreement violates any law, or is otherwise held to be invalid or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other provision or part of a provision of this Purchase Agreement and that provision shall be reformed to the extent (and only to the extent) necessary to make that provision legal, valid, and enforceable. If the illegal, invalid, or unenforceable provision cannot be reformed, it shall be severed from this Purchase Agreement and the remaining terms and provisions of the Purchase Agreement shall be unimpaired and remain in full force and effect. In such case the Purchase Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing this Purchase Agreement.

23. GOVERNING LAW AND JURISDICTION; DISPUTE RESOLUTION

23.1 The laws of the State of Texas (including Chapter 2 of the Texas Business and Commerce Code), notwithstanding any choice/conflict of law rules in such jurisdiction, will govern the Order. To the extent this Order involves the performance of services, such services shall be deemed to be ancillary to Supplier's delivery of "goods" hereunder, such that the predominant purpose of this Purchase Agreement shall be the sale of goods by Supplier to SXT. For the avoidance of doubt, the following international conventions will not apply to the Order, without regard to principles of conflicts of law: (i) Uniform Law on International Sale of Goods and Uniform Law on Formation of Contracts for International Sale of Goods; (ii) United Nations Convention on Contracts for International Sale of Goods; and (iii) United Nations Convention on Limitations Period in the International Sale of Goods, including the Protocol Amending the Convention on Limitations Period in the International Sale of Goods.

23.2 Any claim not resolved through informal discussions among the parties shall be decided by litigation in Georgetown, Williamson County, Texas. SXT and the Supplier irrevocably consent to the exclusive jurisdiction of the courts of the State of Texas and the federal courts situated in Georgetown, Williamson County, Texas, in connection with any action brought by either party to enforce the provisions of this Purchase Agreement, to recover damage or other relief for breach or default hereunder, or otherwise arising out of or relating to this Purchase Agreement.

23.3 Notwithstanding any provision of the Purchase Agreement to the contrary, if SXT in good faith believes that any claim, dispute, or other matter in controversy with Supplier also involves rights or liabilities of an SXT customer or other third party, then, at SXT's sole election, Supplier agrees to resolve such issues in the same forum or proceeding, including arbitration, court, or administrative authority, which has jurisdiction over some or all claims, disputes, and matters in controversy involving an SXT customer or other third party so as to promote economy and avoid inconsistent results.

23.4 IF ANY DISPUTE BETWEEN SUPPLIER AND SXT IS SUBJECT TO LITIGATION PURSUANT TO THIS ARTICLE, THE SUPPLIER AND SXT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY.



23.5 The Supplier and SXT intend and agree that the foregoing dispute resolution provisions and rights of election given to SXT are not independent of or severable from the remainder of the Purchase Agreement and that such provisions and election rights are supported by the consideration and mutuality of the Purchase Agreement as a whole.

24. FORCE MAJEURE

24.1 Each party may be excused from a failure to perform or a delay in performance, in whole or in part, in the event of, and to the extent that acts of God or events of nature over which the affected party has no control prevents the manufacture, performance, acceptance or use of any Goods or Services hereunder (each, a "Force Majeure" event). However, notwithstanding the foregoing and Section 2.615 of the Texas Business and Commerce Code, the occurrence or existence of the following events and circumstances shall not excuse Supplier from the performance of any of its obligations hereunder: (a) any adverse change in the cost or availability of raw materials, supplies or semi-processed goods from the date hereof to the date of delivery of the Goods; (b) riots, strikes, slowdowns or other concerted acts of workmen, whether direct or indirect; and (c) any cause similar to that described in the foregoing subsections (a) and (b). Further, any default or non-performance of sub-contractors or suppliers of Supplier (other than as caused by a Force Majeure event suffered by such sub-contractors or suppliers) shall not constitute an event beyond the reasonable control of Supplier. If possible under the circumstances, the party claiming excuse from performance must take reasonable efforts to remove the cause of its inability to perform or its delay in performance. The party claiming excuse from performance must give prompt written notice to the other party of such event, specifying its nature and anticipated duration. Notwithstanding the foregoing, if as a direct result of a Force Majeure event, either party fails to carry out or observe any of the terms and conditions of the Order, such failure or omission shall not be deemed a breach of the Order, and the affected party's obligations may be suspended insofar as the parties agree that performance of such obligation is impracticable. Further, the party claiming excuse from performance shall be responsible for insuring against any damage or loss incurred due to delay. Nothing in this Section shall alleviate the party claiming excuse from performance for loss or damage to any Goods in its possession. If SXT's or Supplier's performance is excused or delayed for more than thirty (30) calendar days, SXT may, at its option, terminate the Purchase Agreement by giving written notice, which termination will become effective upon receipt of such notice by Supplier.

24.2 Notwithstanding anything contained in the Purchase Agreement to the contrary, in addition to rights afforded to SXT in Section 24.1 above, Supplier acknowledges and agrees that SXT shall have the right to delay delivery or acceptance of Goods and Services for causes beyond its control (*e.g.*, failure of payment on the part of an SXT customer). In such event, Supplier agrees to hold the Goods or delay performance of the Services hereunder at the direction of SXT, and shall deliver the Goods or resume performance of the Services when the cause effecting the delay has been removed.



25. COMPLETE AGREEMENT

The Purchase Agreement contains the complete and entire agreement between the parties hereto and supersedes any previous communications, representations or agreements, whether verbal or written, with respect to the subject matter hereof. NO CHANGE, ADDITION, OR MODIFICATION OF ANY OF THESE CONDITIONS SHALL BE VALID OR BINDING ON EITHER PARTY UNLESS IN WRITING SIGNED BY THE PERSON EXECUTING THE ORDER ON BEHALF OF SXT.

26. AUDIT

To the fullest extent permitted by applicable law, SXT shall have the right to inspect and review any and all books, records and information of Supplier relating to the Goods or Services provided hereunder. Supplier shall maintain the books, records and information relating to the Order for a period of three (3) years after delivery of the Goods or performance of the Services hereunder.

27. ORIGIN CONTROL

Supplier represents and warrants that neither it nor any person or entity that owns or controls it is a designated target of economic trade sanctions promulgated by the United States, European Union, United Nations, or the country of origin of the Goods (collectively, "Sanction Laws"). Supplier further represents and warrants that (i) Supplier and its agents and representatives will fully comply with all applicable Sanction Laws in their performance hereunder; and (ii) that the Goods will not directly or indirectly originate from, be provided by or be transported on a vessel, or with any carrier, owned, controlled, flagged or chartered by any country, person or entity that would cause SXT, or any parent or affiliate of SXT, to be in contravention of applicable Sanction Laws. Supplier agrees to cooperate with SXT's reasonable requests for information or documentation to verify compliance with this Section.