

**1. AGREEMENT.** The contract of sale resulting from documentation on the reverse side or attached hereto or expressly incorporating these terms and condition (the "Order"), together with these terms and conditions (collectively the "Contract"), constitute the entire agreement between the parties hereto, except as modified in writing signed by both the Seller and Purchaser. The Seller is, or is the applicable subsidiary of, Pfisterer Holding AG (including Lapp Insulators) with which the Order was placed and the Purchaser is identified in the Contract. Any terms in a purchase order or any other written or oral statement from Purchaser, irrespective of their materiality, which are either different from or additional to these terms and conditions of sale are objected to and are excluded unless the Seller expressly agrees in writing to such terms. Execution of such documents by Seller to accommodate Purchaser's procedures or to evidence agreed upon change orders shall not be construed as assent to Purchaser's terms, and such terms shall not become part of the Contract. Acceptance of the goods shipped or payment of any amount due pursuant to the Contract shall constitute assent to Seller's conditions of sale. This Contract shall be binding upon Purchaser and Seller, and on their permitted successors and assigns.

**2. ACCEPTANCE AND APPROVAL OF ORDER.** A proposal or quotation from Seller shall not be considered an offer. An order will become binding on Seller only subject to the terms and conditions in the Contract and when accepted and approved by the Sales and Credit Departments of the Seller. The minimum order is \$2000. Partial orders are subject to price reviews. Orders must be in even standard packages. Where Orders are not in even standard packages, Seller will increase the order quantity to the next largest standard package size, and Purchaser hereby agrees that the order quantity and purchase price shall automatically, without further action by Purchaser or Seller, be increased to reflect such additional quantity.

**3. CREDIT.** Credit terms of payment must have the approval of Seller's Credit Department and must be specified in writing on Seller's invoice or in the Contract. If Purchaser's credit is found by Seller to be unsatisfactory at Seller's sole discretion, Seller may rescind or terminate this Contract. If at any time during the term of the Contract Purchaser's financial responsibility becomes impaired or unsatisfactory to Seller, Seller reserves the right to stop shipment until such time as alternate payment terms, or other security satisfactory to Seller, are put into place, and in the absence of such alternate payment terms or security Seller may terminate the unfulfilled portion of the Contract. Seller will notify Purchaser promptly of its decision to stop shipments and give an advance notice to the extent reasonably practicable. In the absence of credit terms, sales are for cash.

**4. PAYMENT.** Unless otherwise agreed to in writing by Seller, all payments are due to Seller net 30 days in U.S. funds. Any other terms of payment shall be set forth in the Order. Purchaser agrees to make payment at Seller's location specified in this Contract in lawful money of the United States. Purchaser further agrees to make all payments when due to Seller in accordance with the agreed terms of payment in this Contract without right of retention or set-off.

**5. INTEREST & COSTS.** Purchaser agrees to pay interest at the lesser of 1½% per month and the maximum rate permitted by applicable law on all delinquent balances if and when assessed by Seller, and any attorney's fees or court costs arising out of the collection of any amount due by Purchaser pursuant to the Contract.

**6. TAXES.** Any federal, state or local tax, assessment, fee, duty or charge hereafter imposed on or measured by the products purchased hereunder are not part of the purchase price or other amounts charged by Seller, and shall be the responsibility of and paid when due by Purchaser unless Purchaser furnishes Seller an acceptable exemption certificate from such tax, fee, duty or charge prior to shipment.

**7. FORCE MAJEURE.** Seller shall make delivery in accordance with the terms of this Contract or within a reasonable time in the absence of any specific commitment, but Seller shall not be liable for delays or defaults in delivery caused by floods, fires, storms, other acts of God, by war or act of public enemy (or civil disturbance), strikes, lockouts, shortages of labor or raw materials and supplies (including fuel) or production facilities, transportation, service or equipment shortages or failures, action of any governmental authority or other conditions beyond Seller's reasonable control, including Purchaser's timely performance of its obligations under the Contract.

**8. CANCELLATION.** Order cancellations and deferrals will be subject to a minimum charge equal to 25% of the purchase price with respect to the amount cancelled or deferred. If Purchaser desires to cancel or change any portion of this Contract, it must make such request in writing to Seller. Seller may, in its sole discretion, accept or reject any such request. If accepted, the Purchaser nonetheless must, at Seller's option, accept, arrange for delivery, and make payment to Seller for all material manufactured and in stock or in process of manufacture at time of notice, and all special materials ordered at time of notice and for which Seller must take delivery. All such materials must be removed from Seller's premises within 30 days after payment and payment will be due at time of notice.

**9. INSPECTION AND TESTING.** Seller's standard specifications and tests apply to all orders. All charges for inspections or tests not regularly undertaken as part of Seller's sale process will only be conducted if explicitly authorized in writing by Seller, and will result in an additional charge. All inspections shall be conducted at Seller's plant, and failure of Purchaser to avail himself of inspection privileges shall be deemed a waiver of such privileges.

**10. PRICES.** Prices are subject to change without notice. Orders based on published prices and accepted for scheduled shipment will be invoiced at Seller's applicable price in effect on the scheduled date of shipment, unless otherwise specifically noted on the Seller's order acknowledgement. All prices will be in accordance with applicable government regulations. Orders specifying palletizing or special packaging will only be accepted if explicitly authorized in writing by Seller, and will result in additional charges.

**11. DELAYS.** All orders are accepted subject to Seller's ability to make delivery at the time and in the quantities specified, and Seller shall not be liable for damages for failure to make partial or complete shipment or for any delay in making shipments whether the delivery date is specified by Seller or Purchaser. Purchaser shall be liable for any added expenses incurred by Seller because of Purchaser's delay in furnishing requested information to Seller, delay resulting from order changes by Purchaser, or delay in unloading shipments at delivery point.

**12. SHIPMENT.** Seller will select method of shipment and routing when transportation charges are the responsibility of Seller. When shipping instructions are specified by, or otherwise the responsibility of, the Purchaser, all shipping costs will be billed to or otherwise paid by Purchaser. The foregoing includes, but is not limited to, carrier's charges for notification prior to delivery, demurrage, delays in unloading, diversion or re-consignment. If Purchaser needs a flatbed, the cost difference between a regular truck and a flatbed will be charged to Purchaser, and documentation of the difference will be available upon request.

**13. FREIGHT ALLOWANCE.** Freight terms for shipping paid by Purchaser are based on shipment using a regular, enclosed truck to a single destination, unless otherwise stated by Seller. Standard shipping charges are \$8,000 or more per order shipment release to one destination for Eastern United States, and \$10,000 or more per order shipment release for Western United States, unless otherwise negotiated. For orders to Alaska and Hawaii that meet freight allowance requirements, freight will be paid to the West Coast Port of Exit. The above policy applies to standard dry van ground transit only. The freight allowance terms are FOB Origin, Freight Prepaid. In the event the freight thresholds are not met, shipping terms will, at Seller's discretion, either be FOB Origin, Freight Prepaid and Billed or FOB Origin, Freight Collect."

**14. TITLE.** Title to products transfers to Purchaser upon delivery of the products to the Purchaser at Purchaser's facility. As collateral security for the payment of the purchase price of the products, Purchaser hereby grants to Seller a lien on and security interest in and to all of the right, title and interest of Purchaser in, to and under the products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under

this provision constitutes a purchase money security interest under the New York Uniform Commercial Code. On receipt of title, Purchaser is then responsible for proper insurance or other protection of product and compliance with all regulations and ordinances, and agrees to indemnify Seller against all claims (including reasonable attorney's fees) for personal injuries, property damage, and all other losses arising from the storage, use or handling of such products. Orders must be in even standard packages. Seller will increase the order quantity to the next largest standard package size. If Seller delivers to Purchaser a quantity of products of up to 5% more or less than the quantity set forth in the Contract, Purchaser shall not be entitled to object to or reject the products or any portion of them by reason of the surplus or shortfall and shall pay for such delivered products the price set forth in the Contract (as adjusted pro rata based on the quantity difference).

**15. RISK OF LOSS.** Risk of loss passes to Purchaser when product leave Seller's facility. Purchaser has the responsibility to inspect shipments before or during unloading to identify any such damage or shortage and see that appropriate notation is made on the delivery tickets or an inspection report furnished by the local agent of the carrier in order to support a claim.

**16. CLAIMS.** Notice of claims against Seller hereunder for any reason must be made to Seller in writing promptly after discovery and within any applicable warranty period. Failure to give such notice to Seller shall constitute a waiver by Purchaser of any right later to assert such a claim. Products must be inspected by Purchaser upon receipt and notice of defects, damage or non-conformance with the Purchaser's order must be given to Seller within 24 hours of receipt of product.

**17. RETURNS.** All requests for returned goods must first be approved, in writing, by the appropriate Product Line Manager of Seller. After written approval, returned goods shall be accepted for credit only, and shall be accepted only if in saleable condition and with evidence of Seller's prior written consent and proof of purchase within one year of request date is provided. Product must be in original packaging and be in standard pack quantities. Special items of other than normal and standard design regularly sold by Seller cannot be returned. Seller will assess a minimum 25% restocking charge, if applicable. Delivery costs to and from the Purchaser's job location that were paid by Seller will be deducted along with all loading and unloading costs and any costs of repair will also be deducted.

**18. PATENTS.** Seller agrees to defend and to protect Purchaser against loss or damage usually arising out of any legal action for patent infringement in connection with the manufacture of its products sold to Purchaser, provided Seller is notified promptly of any such action with complete information and is given an opportunity to defend. Seller shall have no obligation hereunder if the Purchaser has modified the product, utilizing it for any purpose other than its intended purpose, or the infringement relates to Purchaser's design or other intellectual property.

**19. LIMITED WARRANTY.** Seller warrants title to each individual product sold under this Contract and further warrants for a period on one (1) year after shipment that such product materially conforms to the specifications set forth in the Contract and is free from material defects in material and workmanship under normal service and use for which it was designed. Seller's sole obligation and Purchaser's exclusive remedy under this warranty shall be limited to one of the following, as selected by Seller: Delivering to Purchaser a replacement for any product part thereof determined by Seller to be defective; repairing such product or part, or refunding the purchase price (or an equitable portion thereof) paid for such product or part by Purchaser. SELLER MAKES NO WARRANTY OF FITNESS FOR PARTICULAR PURPOSE OR MERCHANTABILITY, AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR ARISING BY OPERATION OF LAW, COURSE OF DEALING, USAGE OF TRADE OR OTHERWISE IMPLIED. Purchaser must notify Seller promptly and within the warranty period of any claim under this warranty. Seller's warranty extends only to the first purchaser of a product from Seller or Seller's authorized distributor. The warranties under this Section do not apply where goods have: (i) been subjected to abuse, misuse, neglect, negligence, accident, improper testing, improper installation, improper storage, improper handling, abnormal physical stress, abnormal environmental conditions or use contrary to any instructions issued by Seller; (ii) been reconstructed, repaired or altered by persons other than Seller or its authorized representative; (iii) been used with any third-party product, hardware or product that has not been previously approved in writing by Seller; or (iv) been identified as being experimental, developmental, prototype or similar designation. Certain products manufactured by a third party ("Third Party Products") may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the products. Third Party Products are not covered by the warranties in this section.

**20. LIMITATION OF LIABILITY.** IN NO EVENT SHALL SELLER BE LIABLE TO PURCHASER OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, OR FOR ANY LOSS OF USE, REVENUE OR PROFIT OR DIMINUTION IN VALUE, AND IN EACH CASE WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, IN EACH CASE REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND IN EACH CASE NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO A CONTRACT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE PRODUCTS SOLD UNDER SUCH CONTRACT.

**21. TERMINATION.** In addition to any remedies that may be provided under a Contract, Seller may terminate such Contract with immediate effect upon written notice to Purchaser, if Purchaser: (a) fails to pay any amount when due under such Contract and such failure continues for 30 days after Purchaser's receipt of written notice of non-payment; (b) has not otherwise performed or complied with any of these terms, in whole or in part; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

**22. ASSIGNMENT.** Purchaser shall not assign any of its rights or delegate any of its obligations under a Contract without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Purchaser of any of its obligations under a Contract.

**23. LAW.** This order shall be governed by and shall be construed by the law of the State of New York, and any disputes arising hereunder will be heard by a court of the United States of America or the courts of the State of New York in each case located in the City of Buffalo and County of Erie, and Purchaser irrevocably submits to the exclusive jurisdiction of such courts in any such dispute.

**24. WAIVER.** No waiver by Seller of any of the provisions of a Contract is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from a Contract operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

**25. SEVERABILITY.** If any term or provision of a Contract is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of such Contract or invalidate or render unenforceable such term or provision in any other jurisdiction.

**26. RELATIONSHIP OF THE PARTIES.** The relationship between the parties is that of independent contractors. Nothing contained in a Contract shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

**27. NO THIRD-PARTY BENEFICIARIES.** Each Contract is for the sole benefit of the Seller and the Purchaser and their respective successors and permitted assigns and nothing in any Contract, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of such Contract.