

PRECISION BRUSH COMPANY, INC.
TERMS AND CONDITIONS OF PURCHASE

1. **SHIPPING NOTICES; SELLER'S INVOICES** - The shipping notice must be mailed on the date of shipment to Precision Brush Company, Inc.'s ("Precision Brush") headquarters. Goods arriving without proper notices having been received will be held until the desired information is furnished, and all demurrage thus accruing shall be for Seller's account. Invoices shall state the Purchase Order number, item number, item description, shipping point, destination, whether the freight is prepaid or collect, and the terms of payment. Invoices not rendered in accordance with instructions will be returned and the discount date will be based upon the date the corrected invoice is received by Precision Brush.
2. **DISCOUNT POLICY** - Discount period shall commence on the later of the: (i) invoice date, or (ii) date invoice received by Precision Brush.
3. **PACKING** - All goods shall be shipped fully assembled (or where not practicable to do so, as completely assembled as permitted by the carrier), suitably packed and accompanied by a packing list. Cartons containing packing lists must be so marked. Uncrated or bundled goods must be tagged with waterproof tags. No charge for packing shall be made unless agreed to in writing by Precision Brush.
4. **CARRIERS AND ROUTING** - Precision Brush reserves the right to designate the carrier and routing. All goods shall be forwarded in accordance with Precision Brush's instructions, or in the absence of such instructions by the route generating the lowest transportation charge. When usual terms of tariffs or transportation agreements involving carriage via water do not include insurance, shipments must be forwarded properly insured. When terms of delivery are "prepaid by supplier", Seller is to charge Precision Brush freight on its invoice. When terms are "collect", Precision Brush will pay freight to carrier on a separate freight bill. When terms are "delivered price", material costs include freight costs. All shipping rates charged to Precision Brush shall be the lowest available rates, taking into account all available discounts.
5. **ADDITIONAL CHARGES** - No additional charges of any kind will be allowed unless arranged for and agreed to in writing by Precision Brush at time of purchase.
6. **MODIFICATION OF TERMS** - This Purchase Order is expressly subject to, and Seller's acceptance is expressly conditioned upon, Seller's assent to each and all of the terms and conditions contained on the face and reverse side hereof. No addition to or modification of the terms and conditions hereof shall be binding upon Precision Brush and no goods shall be substituted for those specified herein except upon the written consent or instructions of Precision Brush. Where Seller's quotation, acknowledgement, invoice or other correspondence contains terms or conditions contrary to or in addition to Precision Brush's terms and conditions, such contrary or additional terms are hereby refused and rejected (and without any requirement of further notice of such refusal and rejection) and neither acceptance by Precision Brush of the goods nor payment therefor shall constitute a waiver by Precision Brush of any of the terms and conditions contained herein or assent to any other conditions. Reference to Seller's bids or proposals, if noted on this Purchase Order, shall not affect the terms and conditions hereof unless specifically provided to the contrary herein.
7. **NON-CONFORMING GOODS** - All goods received shall be subject to Precision Brush's right of inspection and rejection. Precision Brush may (but is not required to) inspect the goods at Seller's premises, prior to shipment, upon reasonable notice to Seller. Precision Brush shall have a reasonable time within which to inspect the goods and shall not be obligated to inspect goods purchased as spare parts, inventory or for future use until the same are to be used by Precision Brush. Excess or defective goods or goods not in accordance with Precision Brush's specifications will be held for a reasonable period of time for disposition in accordance with Seller's instructions at Seller's risk and expense and, if Seller directs, will be returned at Seller's expense. Returned goods may be replaced by Seller only upon Precision Brush's formal Purchase Order. If inspection discloses that a portion of the goods received are not in accordance with the specifications or descriptions thereof, Precision Brush shall have the right to cancel any unshipped portion of this Purchase Order. Payment for goods furnished pursuant to this Purchase Order shall not constitute acceptance thereof by Precision Brush and such payments shall be deemed to have been made without prejudice to any and all claims Precision Brush may have against Seller. The remedies hereinabove provided to Precision Brush are not exclusive and are in addition to all other remedies available to Precision Brush pursuant to law, this Purchase Order or otherwise.
8. **WARRANTY** - In addition to any other warranties of Seller described herein, Seller expressly warrants that all goods and services covered by this Purchase Order will conform to the specifications, drawings, plans, instructions, samples or other description furnished or adopted by Precision Brush, if any, will be merchantable, fit and sufficient for the purpose intended, including any special requirements of Precision Brush which have been disclosed to Seller, and shall be free from defects, whether latent or patent, in material and workmanship. Such warranties and the remedies provided herein shall not be deemed waived either by reason of acceptance of, payment for, use or consumption of the goods and shall be in addition to those implied by or available at law.
9. **DELAYS; FORCE MAJEURE** - Shipment and delivery date(s) specified are of the essence of this Purchase Order and must be one-hundred percent on time. However, Seller shall not be liable for delays in manufacture or delivery of goods and Precision Brush shall not be liable to accept any part of such goods to the extent that such delays are due to causes beyond the reasonable control of the party (Precision Brush or Seller) affected thereby, such as acts of God, acts of civil or military authorities, governmental priorities, fires, strikes, lockouts, floods, epidemics, war, riot, or a contingency the non-occurrence of which was a basic assumption on which this Purchase Order was made, provided that the party affected thereby promptly notifies the other party of such event and uses its best efforts to remedy the situation, and, provided further, that in the case of any such event affecting Seller, Seller shall allocate all available production, inventories and deliveries to Precision Brush.
10. **COMPLIANCE WITH LAWS** - Seller represents and warrants that it has and shall comply with all Federal, state and local laws and ordinances and all regulations of any public authority.
11. **PERSONAL INJURY, DEATH AND PROPERTY DAMAGE** - By its acceptance of this Purchase Order, Seller expressly agrees to defend, indemnify and save harmless Precision Brush from and against any and all liability, loss, damages, costs and expenses (including attorneys' fees), claims, suits and demands for any loss or damage to property or injuries to persons, including death, sustained by Precision Brush, its employees or its customers, or by Seller or its employees, or by any other party, arising out of, resulting from or incurred in connection with the performance of any work or the furnishing of, or claimed defects in, any goods furnished by Seller under this Purchase Order. Seller further expressly agrees that it is the intent hereof that Seller shall assume all risk of such loss, damage or injuries, and shall absolve and indemnify Precision Brush therefrom whether or not such loss, damage or injuries are due to the sole or joint negligence of Precision Brush or its employees. Seller expressly agrees that it may be joined as an additional or third-party defendant, and may be held liable for damages, contribution or indemnity, in any action at law or otherwise, in which the employee or employees of Seller or any other person, their heirs, assigns or anyone otherwise entitled to receive damages by reason of injury or death, brings an action against Precision Brush in respect thereof, and expressly waives any provision of any workers' compensation laws whereby Seller could otherwise preclude its joinder or avoid liability for such damages, contribution or indemnity.
12. **PROPRIETARY RIGHTS**-Seller shall indemnify, save harmless and defend Precision Brush from and against any and all claims, demands, suits, actions, legal proceedings, judgments, decrees, awards, damages, royalties, costs including reasonable attorneys' fees and any other expenses arising from: (a) the infringement or alleged infringement of any United States or foreign patent by the goods furnished hereunder, or by the normally intended use or mode of operation of the goods so furnished, (b) any unfair competition or alleged unfair competition resulting from any similarity of design or appearance of, or trademark on, the goods furnished hereunder, and (c) the unauthorized use or alleged unauthorized use of any trade secrets, proprietary know-how or other proprietary rights incorporated in the goods furnished hereunder, necessary or appropriate for the use of the goods furnished hereunder in their normally intended manner or mode of operation, or otherwise related to the furnishing of any goods or services hereunder. Precision Brush may be represented in any such suits, actions or legal proceedings by counsel of its own selection.
13. **LIENS AND CLAIMS** - All goods hereunder shall be delivered free of all liens, claims and encumbrances. Seller shall promptly resolve all claims and demands for all labor performed and for machinery, fuel or any other material or equipment furnished in the performance of the work contemplated by this Purchase Order and shall fully protect and indemnify Precision Brush against all such claims and against any and all claims or debts on account of which liens might be obtained. Seller also shall indemnify Precision Brush against court costs and attorneys' fees incurred or sustained by Precision Brush by reason of any such claims, debts or liens. Precision Brush reserves the right to satisfy and obtain the release of any liens filed against the property of Precision Brush as a result of work performed or goods furnished by Seller hereunder, and in such cases to use sums otherwise payable by Precision Brush to Seller hereunder.
14. **SETOFF** - Precision Brush shall have the right to credit toward the payment of any monies that may become due Seller hereunder any amounts which may now or hereafter be owed to Precision Brush by Seller.
15. **ASSIGNMENT**-Seller shall not assign, whether by assignment, subcontract, merger, reorganization, operation of law (all of which shall be deemed to be an "assignment ") or otherwise this Purchase Order or any interest herein or any payment due or to become due hereunder without the written consent of Precision Brush. Any such actual or attempted assignment without Precision Brush's written consent shall constitute a breach by Seller and shall entitle Precision Brush to terminate this Purchase Order without further liability hereunder and to withhold payment until Precision Brush has determined to whom such funds are payable and that Precision Brush is fully protected from any conflicting claims of Seller, Seller's assignee or any third party and from any loss or expense in connection therewith. Precision Brush may assert any counterclaim or set-off which Precision Brush may have against Seller against any assignee, whether or not such counterclaim or set-off arose under or with respect to this Purchase Order.
16. **TERMINATION**- Precision Brush may terminate this Purchase Order or any part hereof for any reason at Precision Brush's convenience upon written notice to Seller. Upon such termination Seller agrees to waive all claims for damages, including those for loss of anticipated profits, and to accept as its sole remedy for termination the value of all work performed prior to the termination and reasonable costs occasioned by termination; provided, however, that Precision Brush shall have no liability whatsoever for goods which are Seller's standard stock. No such termination shall relieve Seller of any of its obligations for any goods delivered hereunder prior to such termination. Any claim for adjustment must be asserted within thirty (30) days from the date when the termination was ordered.
17. **COMPLETE AGREEMENT**-This Purchase Order, together with any other documents incorporated herein by reference, constitutes the sole and entire agreement between Precision Brush and Seller with respect to the subject matter hereof, superseding completely any oral or written communications unless the terms thereof are expressly incorporated herein. No additions to or variations from the terms hereof shall be binding unless agreed to by Precision Brush in writing. Where Seller's quotation is referred to herein, such quotation is incorporated in this Purchase Order only to the extent of specifying the nature or description of the goods ordered, and then only to the extent such items are consistent with the other terms herein. No additional work shall be done or goods supplied unless specifically agreed to by Precision Brush in writing.
18. **TIME AND MATERIAL WORK**- Where the purchase price hereunder is to be determined by Seller's time or cost of materials, or otherwise from records to be maintained by Seller, Seller will retain all records necessary for such determination for a period of at least two (2) years after the completion of this Purchase Order and will permit Precision Brush access thereto at all reasonable times for the purposes of audit.
19. **DRAWINGS AND RECORDS**- Title to originals and all copies of all plans, blueprints, drawings, dies, patterns, tools, specifications and written media, whether or not deemed proprietary by Seller, furnished to or by Seller or prepared by or for the account of Seller in connection with its performance hereunder, shall be and remain in Precision Brush. Such items shall be held at Seller's risk and shall be promptly delivered to Precision Brush upon completion of such performance, or termination of this Purchase Order. Invoices will not be honored until such items have been received by Precision Brush.
20. **ADVERTISING** - Seller may not, without written consent of Precision Brush, advertise or publish, in any manner, the fact that Seller has furnished or contracted to furnish the goods or services specified herein.
21. **TAXES** - Seller shall pay all taxes applicable to this transaction unless shown separately on the face of this Purchase Order.