

1. PARTIES AND APPLICATION. The parties are **Seller** and **Buyer**. "Seller" is **Duraflex, Inc.** and "Buyer" is the **party buying product(s) and/or services** ("Products" and/or "Services") **from Seller**. Hereafter, these terms and conditions and the sales order (the "Order") are collectively the "**Agreement**". This Agreement is incorporated into the transaction described on the Order. It is agreed that all purchase(s) of Products and/or Services by Buyer from Seller are made pursuant to this Agreement. The terms and conditions herein may in some instances conflict with the terms and conditions contained in a purchase order or other document submitted by Buyer. Therefore, acceptance by Seller of Buyer's order is made only on the express understanding and condition that insofar as the terms and conditions of this acceptance conflict with any term(s) and/or condition(s) of the Buyer's order, the terms and conditions of this Agreement shall govern, irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implications or acceptance and payment of goods and/or services ordered hereunder. Any failure by Seller to object to any provision(s) contained in any document(s) or communication(s) from Buyer shall not be deemed a waiver, addition to or modification of any provision(s) of this Agreement.

2. MODIFICATION. This Agreement may not be amended, changed or modified except by a writing duly executed by Buyer and Seller, and it is expressly understood that in the case of Seller, any such writing must be executed by an authorized representative of Seller. This Agreement, together with any specifications, schedules, or amendments referred to herein or attached hereto, sets forth the complete agreement between the parties, and supersedes any prior or contemporaneous communication(s) relating to its subject matter.

3. PRICES AND PAYMENT. Price, price adjustments, if any, will be as set forth in the Seller's quotation. Seller reserves the right to revise prices for any Products and/or Services if there are any changes in quantity, size, analysis, finish, method and/or time of shipment differing from those provided for in the original Order.

Buyer shall make payment to Seller in the manner set forth in this Agreement. Unless specifically stated in the proposal, all amounts to Seller will be due and payable within thirty (30) days of the date of the invoice. Any payment for Products and/or Services not made when due shall accrue interest at a rate of: (a) three percent (3%) for each month (or any portion of any month in which a balance remains unpaid), or (b) the highest interest rate permitted by law, whichever rate is less. If there exists a good faith dispute over the amounts to be paid, Purchaser shall pay the undisputed amount, but the disputed portion may be held in abeyance until resolution of the matter, with that portion, together with the interest charged specified due thirty (30) days after said resolution. Any past due amounts shall, without prejudice to the right of Seller to payment when due, bear a service charge of three percent (3%) per month.

If in the judgment of Seller the creditworthiness of Buyer becomes impaired at anytime or Seller otherwise becomes insecure, Seller shall have the right to require payment in advance before making any future shipments.

Seller may, upon seven (7) days written notice to Buyer, declare the unpaid purchase price of any Products shipped and/or Services performed to Buyer to be immediately due and payable.

At Seller's option, upon any breach or default by Buyer hereunder, Seller may declare any outstanding debt, obligation or liability of Buyer to Seller, under this Agreement or otherwise, to be immediately due and payable.

With respect to all payments due to Seller from Buyer hereunder, and unless in each instance waived by Seller in writing, timely payment shall be a required condition precedent to any subsequent deliveries of Products and/or Services or other performance by Seller of its duties and obligations under this Agreement.

4. RISK OF LOSS. All risk of loss of or damage to any Products shall pass from Seller to Buyer upon Seller's delivery of such Products to the carrier designated in the shipping instructions of Buyer or to a carrier reasonably selected by Seller if such shipping instructions do not designate a carrier for shipment. Any charges by carrier at destination for spotting, switching, demurrage or other services shall be paid by Buyer. Any price quotations contained herein are price terms only. Risk of loss or damages and shipping terms are as separately provided in this in this Agreement.

5. DEFECTIVE NON-CONFORMING OR REJECTED MERCHANDISE. Buyer shall inspect all Products shipped immediately upon arrival at the shipment's destination. Within 3 (three) business days of arrival, Buyer shall notify the Seller's Quality Department of: (a) any alleged defects in any Products in that shipment, (b) any reason(s) Buyer rejects any Products, and/or (c) any claim of shortage of Products in a shipment.

When appropriate, Seller will then issue a Return Goods Authorization (RGA) number to Buyer. SELLER WILL NOT ACCEPT ANY RETURNS WITHOUT HAVING FIRST ISSUED AN RGA NUMBER. AN RGA NUMBER MUST BE CLEARLY WRITTEN ON ANY PACKAGE AUTHORIZED FOR RETURN. A WRITTEN EXPLANATION OF THE REASON FOR REJECTION MUST ALSO ACCOMPANY THE RETURNED PRODUCT.

Further, in the event any model or sample of any Products was shown to Buyer before an Order was placed, the Buyer acknowledges that such model or sample was merely used to illustrate the general type and quality of the Products and not to represent that the Products would necessarily be identical to the model or sample. Therefore, any alleged difference between the Products shipped and any model or sample shall not be a valid basis for rejection of any Products.

6. CHANGES AND CANCELLATIONS. Should Buyer desire to revise or suspend an Order for reasons allegedly beyond the Buyer's control, Buyer shall first discuss the matter promptly with the Seller and the parties shall attempt to reach a mutually satisfactory agreement. Seller's Products are custom, made-to-order per specific customer requirements and therefore are non-cancellable as Products cannot be resold. All sales are final.

7. LIMITATIONS OF LIABILITY. Neither Seller nor its suppliers will be liable to Purchaser, whether in contract, in tort (including negligence and strict liability), under any warranty, or otherwise, for any special, indirect, incidental or consequential loss or damage to Purchaser facilities, cost of capital, loss of profits or revenues, or the loss of use thereof, of claims of customers to Purchaser. The remedies set forth herein are exclusive and the total cumulative liability of contractor under the contract or any act or omission in connection therewith or related thereto, whether in contract, in tort (including negligence and strict liability), under any warranty, or otherwise, will be limited to the price of the Purchase Agreement.

8. DELAYS. Seller will not be liable for failure to perform or delay in performance resulting from any cause beyond its reasonable control or from any labor difficulty, energy shortage, wreck, or equipment breakdown. In the event of any such delays, the time of performance shall be extended by a period of time reasonably necessary to overcome the effect of the delay.

9. TERMINATION. In the event of any breach or default by either party in any of the terms or conditions of this Agreement, or any other agreement between the parties, the other party may immediately terminate this Agreement by giving written notice to the defaulting party. This Agreement shall immediately terminate without written notice by or to, or other action by, either party in the event of any assignment for the benefit of creditors or offer to make an extension to creditors by Buyer, the insolvency (as such term is defined in the Uniform Commercial Code) of Buyer, the commencement of any proceeding under any bankruptcy laws by or against Buyer, the suspension or liquidation of Buyer's usual business, or any transfer (either voluntary or involuntary) of a substantial part of Buyer's property or assets other than in the ordinary course of business. Provided however, in the event of any such termination, the terms and conditions of this Agreement shall continue to be binding upon the parties in connection with all the Products shipped by Seller to Buyer prior to any such termination.

10. NOTICES. Any notice given under this Agreement shall be in writing and mutually agreed upon and signed by both parties. The content of any notice, or any other communication, from Buyer shall not be construed as a modification of these terms and conditions unless such communication is specifically acknowledged by the Seller, in writing, as a modification or amendment hereto.

11. CHOICE OF LAW, SEVERABILITY AND VENUE. This Agreement and each transaction described in the Order shall be construed and interpreted only under the laws of the State of Illinois, USA. If any provision of this Agreement shall be determined invalid, only the portion of that provision shall be construed ineffective without invalidating the remainder of such provision or the remainder of the Agreement. In the event that any dispute relating to this Agreement or the transaction described in the Order shall result in judicial action, it is agreed the venue for such action shall be the federal courts located in Chicago, Illinois, USA providing sufficient jurisdiction shall exist; and, if not, then venue shall be the state courts located in McHenry County, Illinois, USA.

12. ATTORNEY'S FEES. If any legal action is initiated by either party, the party in whose favor judgment shall be entered shall be entitled to recover from the other party all costs and expenses (including attorney's fees) incurred in such action, including all such costs and expenses of any appeal therefrom.

13. EXPORTS/CONFLICT MATERIALS. Exports and re-exports of Seller's products (as material, an individual component, or an assembly) are subject to U.S. export controls and sanctions administered by the Commerce Department's Bureau of Industry and Security (BIS) under its Export Administration Regulations (EAR). Therefore, Seller's products may not be exported or re-exported, either directly or indirectly, to any of the following countries without prior authorization from the BIS pursuant to the EAR and other applicable U.S. government agencies: Cuba, Iran, Iraq, Libya, North Korea, Sudan, Syria and Democratic Republic of the Congo (DRC).

Seller ensures compliance with the amendment to U.S. federal legislation which affects manufacturing industries. Under Section 1502 of the Dodd-Frank Wall Street Reform Act, manufacturers who file certain reports with the Securities and Exchange Commission (SEC) are required to disclose whether the products that they manufacture or contract to manufacture contain Conflict Minerals that are "necessary to the functionality or production" of those products. "Conflict Minerals" refers to: gold, tin, tantalum, and tungsten, the derivatives of cassiterite, columbite-tantalite, and wolframite, regardless of where they are sourced, processed or sold. The intent of these requirements is to further the humanitarian goal of ending violent conflict in countries, which has been partially financed by the exploitation and trade of conflict minerals.

Seller requires all Suppliers to provide information regarding the use of conflict minerals from their direct Suppliers, who, in turn, must solicit that information from the next tier of Suppliers.

Seller and its Suppliers are obligated to comply with the legal requirements of the United States Export Control and Customs at all times, and to ensure their correct and cost-effective implementation. *Seller is registered with iPoint Conflict Minerals Platform (iPCMP)*

14. PROPRIETARY TOOLING. All fabrication tooling is proprietary and remains the property, and stays within the confines of Seller. This is a non-recurring tool charge, meaning that any additional maintenance or replacement costs are incurred by Seller for the life of the product; exclusive of any material part design changes or modifications.

15. WARRANTY. Seller warrants that the performance of its personnel will reflect competent professional knowledge, judgment and workmanship. In the event that any portion thereof fails to comply with this warranty obligation and Seller is promptly notified in writing prior to one (1) year after the completion of such portion of the Work, Seller will correctly re-perform such portion of the Work without additional compensation from Purchaser. This warranty is conditioned upon Purchaser, without cost to Seller providing working access to the defect by removing and replacing any equipment, materials, or structures to the extent necessary to permit Seller to perform its warranty obligations.

THE WARRANTIES SET FORTH IN THIS ARTICLE ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE). The remedies provided above are Purchaser's sole remedies for any failure by Seller to comply with the warranty provision, whether claims by Purchaser are based in contract, in tort (including negligence and strict liability) or otherwise.