

**GENERAL.** (a) The standard terms and conditions of purchase contained herein shall apply to any purchase order or offer to purchase prepared by Forbo Sieglings, LLC, a Delaware limited liability company (“Buyer”), and delivered to a third party who is in the business of supplying goods or performing services (“Seller”). (b) If it is noted on the face of any such purchase order or offer to purchase that the purchase of goods or services by Buyer from Seller pertains to goods or services for any federal, state or municipal government or any department, bureau, agency, commission, board, instrumentality or authority thereof, including the U.S. Postal Service (the “Government”), then all terms and conditions set forth in the related Government contract that apply to Buyer (the “Government Provisions”) shall be automatically deemed to also apply to such purchase of goods or services by Buyer from Seller. In the event of a conflict between the Government Provisions and the standard terms and conditions of purchase contained herein, the Government Provisions shall control. (c) The terms and conditions of purchase contained herein and, if applicable, the Government Provisions (collectively, these “Terms and Conditions”), together with each such purchase order or offer to purchase, and any documents attached thereto, referred to on the face thereof or incorporated by reference therein (including any specifications, drawings and data) submitted to Seller by or on behalf of Buyer, and as supplemented by the quantity of goods or services ordered and the related delivery/performance dates thereof set forth on any purchase order, order acknowledgement, invoice or other document delivered by Buyer or Seller pursuant to the terms of these Terms and Conditions (collectively, the “Order”), shall constitute the entire agreement between Buyer and Seller regarding the purchase of the related goods or services by Buyer from Seller. (d) Any reference to any offer to sell, quotation or proposal is solely for the purpose of incorporating the description and specifications of the goods and services contained therein to the extent they do not conflict with those contained in such Order. (e) By acknowledging receipt of an Order (or by shipping the goods or performing the services called for by such Order), Seller agrees these Terms and Conditions shall exclusively govern such Order. Any additional or different terms or conditions contained in any acknowledgment of such Order or other document furnished by Seller are hereby objected to by Buyer and shall be of no effect nor in any circumstance binding upon Buyer. (f) In the event of any conflict within the documentation evidencing an Order, such conflicts shall be resolved by referring to the documentation in the following descending order of precedence: (i) typed provision on the face of such Order, (ii) any attachments to such Order, (iii) any statement of work relating to such Order, (iv) specifications attached to or referenced in such Order, and incorporated therein by reference, and (v) the printed portion of such Order, including these Terms and Conditions. Buyer’s specifications shall prevail over those of Buyer’s customer (including the Government), and specifications of Buyer and Buyer’s customer shall prevail over any specifications of Seller.

**TERMINATION.** (a) Either party may cancel an Order by written notice in the event that the other party becomes insolvent, makes a general assignment for the benefit of creditors, files a petition for reorganization or if a petition in bankruptcy is filed by or against the other party and is not dismissed within ten (10) days. (b) Without prejudice to any other rights or remedies, Buyer may cancel an Order in whole or in part if the goods or services are defective or nonconforming, are not delivered or performed as scheduled, or if Seller fails to comply with any of these Terms and Conditions and Seller is unable to cure the defective or noncompliant performance within ten (10) days’ following written notice from Buyer to Seller. Such termination shall be without any liability of Buyer, except for payment due for goods and services delivered to and accepted by Buyer. (c) Buyer may also cancel an Order in whole or in part at its convenience, upon written or oral notice to Seller, and Seller’s sole remedy shall be limited to recovery of reasonable charges reflecting the portion of the work performed prior to termination *plus* actual direct documented costs resulting from termination. (e) Upon cancellation of an Order for any reason, Seller shall stop work on the date and to the extent specified in any notice of cancellation and terminate all orders relating to the terminated Order.

**WARRANTY.** (a) Seller warrants that the goods furnished pursuant to any Order shall (i) be free and clear of all liens, encumbrances and interests of any other person or entity, (ii) be free from defects in workmanship and materials, (iii) be new and the most suitable grade of their respective kinds for the purposes intended, (iv) be free from defects in design, (v) be suitable for the purposes intended, (vi) be in compliance with all requirements of such Order and all applicable drawings, specifications, samples, representations or other descriptions contained in any document referenced therein, (vii) if of Seller’s design, meet all of the performance requirements, and (viii) not infringe any rights of any third parties relating to patents, trademarks, design, appearance or other intellectual property rights. At Buyer’s option and at Seller’s sole risk and expense, Buyer may (A) return any non-conforming or defective good (including data) to Seller for a full refund of the purchase price paid by Buyer for such good or (B) require repair or replacement of such good, at the time the non-conformance or defect is discovered. In addition, Buyer shall have all other rights and remedies available at law or in equity. (b) Seller warrants that all services performed for or on behalf of Buyer pursuant to any Order shall be performed in a professional, competent, workmanlike and skillful manner, shall be free from faults, defects and liens, and shall conform to all of Buyer’s instructions, specifications and directions. Any services not performed or not in conformity with an Order shall be promptly corrected by Seller at no cost to Buyer. Any such deficiency is not corrected within ten (10) days of notice to Seller may be corrected by Buyer for the account of Seller. (c) Acceptance of or payment for goods or services by Buyer shall not relieve Seller of its responsibilities hereunder. (d) All warranties, both expressed and implied, shall inure to Buyer, its customers and end users. The warranties contained in this paragraph are in addition to Seller’s standard warranties and all warranties and remedies provided by applicable law, including the UCC.

**INDEMNITY.** Seller agrees to indemnify, defend and forever hold harmless Buyer and Buyer’s affiliates, parents, subsidiaries, members, managers, vendees, officers, directors, employees, agents, successors and assigns from and against any and all losses, liabilities, claims, costs, damages, fees, demands, suits, actions, proceedings, subrogations and expenses, including, but not limited to, penalties, fines, forfeitures, reasonable attorneys’ fees, disbursements and administrative or court costs (collectively, “Losses”) arising from, in connection with or relating to (a) any breach by Seller under an Order (including any breach of Seller’s representations thereunder), (b) any goods delivered or services performed pursuant to such Order (including, but not limited to, actual or alleged product or manufacturing defects or nonconformities, defects or nonconformities in services or failure to timely perform Seller’s obligations hereunder), (c) any actual or alleged infringement or violation of third-party rights related to the foregoing, as well as any actual or

alleged unfair competition resulting from similarity in design, trademark, or appearance of goods, by reason of the use or sale of any goods furnished by Seller, except for goods manufactured entirely to Buyer's specifications, and (d) any other acts or omissions by Seller, its agents, employees, or subcontractors related to the foregoing (including, but not limited to, acts or omissions resulting in any claim for injuries or death to any person or damage to property and acts or omissions resulting in Seller's failure to comply with all applicable laws, regulations and rules). Seller further agrees upon receipt of notification to promptly assume full responsibility for the defense of any and all such suits, actions or proceedings which may be brought against Seller or against Buyer. Buyer may be represented by and actively participate through its own counsel in any such suit, actions or proceedings, if it so desires. In the event Buyer's equipment is used by Seller in the performance of any work that might be required under any Order, such equipment shall be considered as being under the sole custody and control of Seller during the period of Seller's use.

**ORDER CONFIRMATION AND CHANGES.** (a) Seller shall promptly, but no later than five (5) business days following receipt of an Order, issue a written confirmation of such Order indicating the goods and/or services to be delivered by Seller under such Order as well as the price and delivery date of such goods and/or services (each, an "Order Confirmation"). (b) Buyer may at any time, in writing, make changes within the general scope of an Order in any one or more of the following: (i) drawings, designs, specifications or instructions, where the goods or services to be furnished are to be specifically manufactured or performed in accordance therewith, (ii) method of shipment or packaging, (iii) places of delivery, (iv) delivery/performance dates, (v) quantities, and (vi) any other requirement of such Order. If any such change causes an increase or decrease in the cost of, or the time required for the performance of, any part of the work to be performed under such Order, an equitable adjustment shall be made in such Order price or delivery/performance schedule, or both, and such Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause must be asserted in writing within twenty (20) days from the date of receipt by Seller of the change notification. Where the cost of property made obsolete or excess as a result of a change is included in Seller's claim for adjustment, Buyer shall have the right to prescribe the manner of disposition of such property. Any change order issued by Buyer shall not be binding on Buyer unless issued in writing and signed by an authorized agent of Buyer's purchasing department. (c) Upon written notice received from Buyer, Seller shall stop work for a period of up to ninety (90) days in accordance with the terms of such notice, and shall take all reasonable steps to minimize the incurrence of costs associated with such work stoppage. (d) Nothing in this paragraph shall excuse Seller from proceeding with an Order as changed.

**PRICE; TAXES.** If an exact price is not stated in an Order, Seller agrees that the goods or services shall be billed at the price last quoted, or billed at the prevailing market price, whichever is lower. Without Buyer's specific authorization, an Order must not be filled at a higher price than last quoted or charged to Buyer. Seller agrees that any price reduction made in the goods or services described in an Order prior to delivery or performance thereof shall be applicable to such Order. Seller represents that the price charged for the goods or services covered by an Order is not more than the lowest price charged by Seller to buyers of similar goods or services under conditions similar to those specified in such Order. No charge shall be allowed for freight, transportation, insurance, shipping, storage, handling, demurrage, cartage, packaging, or similar charges, unless provided for in the related Order or consented to in writing by Buyer. Unless agreed to in the related Order or consented to in writing by Buyer, Seller shall pay all taxes that may arise out of its sale of the goods and services to Buyer.

**PAYMENT TERMS; INVOICE.** (a) Seller shall issue an invoice to Buyer on or any time after the completion of delivery and/or performance of all of the goods or services stated in an Order and only in accordance with these Terms and Conditions. Except for any amounts disputed by Buyer in good faith and subject to Buyer's verification of the complete accuracy of such invoice, Buyer shall pay all properly invoiced amounts due to Seller after Buyer's receipt of such invoice either (i) within thirty (30) business days with a 3% discount on the total amount owned by Buyer under such invoice or (ii) within sixty (60) days net. All payments to Seller will be in U.S. dollars and made, at Buyer's option, by check or wire transfer. Payment shall be deemed in time if sent within the required time period. In case of a delivery or performance that does not conform with these Terms and Conditions and the related Order, Buyer shall be entitled to retain payment until Seller's full and proper delivery and/or performance, as applicable, without any reduction or loss of rebates, trade discounts, or similar price reductions, and the time period allowed for payment shall commence only upon complete conformance with these Terms and Conditions and the related Order. If and insofar as Seller is obligated to provide Buyer with material test results, test certificates, quality documents or other performance documents, Buyer's acceptance of the goods or services shall not be deemed to have occurred until all such documents have been provided to Buyer. In case of early delivery of goods or performance of the services, the period allowed for payment shall commence on the agreed-upon delivery date or performance date, as applicable. (b) Seller's invoices shall state the following information for the related Order: Order number, Order issuance date, quantity of each good and/or service, price of such good and/or service, the number of every single item (batches) and the packing list number. Invoices that fail to include all of the required information shall be deemed not received by Buyer, because they cannot be processed. Invoice copies shall be marked as such.

**INSPECTION.** (The term "Inspection" shall mean any and all tests, analyses, evaluations, or inspections of any goods or services provided or to be provided by Seller under any Order, whether or not required by any law or regulation.) (a) Except where specialized instructions call for Inspection solely by Buyer or its customer, Seller is responsible for performing or having performed all Inspections necessary to substantiate that the goods and services provided under each Order conform to the drawings, specifications and other contract requirements as listed herein. (b) Seller shall safely maintain complete records evidencing the completion and outcome of all Inspections performed by Seller on all goods and services purchased by Buyer pursuant to an Order, and such records shall be made available to Buyer on request, for a period of four (4) years following completion of such Order, or for as long thereafter as such Order may specifically require. (c) Seller shall submit for Buyer's acceptance only those goods which have been Inspected by Seller and found to be in conformity with all requirements of the related Order. (d) All articles, raw materials and work-in-progress shall be subject to Buyer's Inspection, to the extent practicable, at all times and places, including during the period of performance and manufacture. (e) Buyer and/or its customers reserve the right to perform source Inspection at Buyer's sole discretion. If Buyer or Buyer's customer

exercise their rights to perform Inspections on the premises of Seller or Seller's subcontractor, Seller shall furnish, and shall cause its subcontractors to furnish, all reasonable facilities and assistance for the safe and convenient performance of these Inspection activities without charge to Buyer or Buyer's customer. (f) Notwithstanding prior Inspection, payment for or use of the goods or services, Buyer shall have the right to reject any such goods or services which do not conform to the requirements of an Order or are otherwise defective. Such right shall be exercisable within six (6) months following receipt of the goods or services, or as provided for in such Order.

**DELIVERY; PACKAGING AND SHIPPING; TITLE AND RISK OF LOSS.** (a) All time(s) of shipment of goods and rendering of services and all quantities and qualities specified in an Order are the essence of such Order. Seller shall promptly notify Buyer whenever it appears that Seller shall not be able to deliver goods and services as specified in an Order. Buyer, at its option, may assist in expediting delivery of items to be delivered by Buyer, if any, to Seller in order to secure Seller's timely performance, in which case Seller shall pay any excess costs incurred due to the expedited delivery. Seller agrees to pay all excess charges and expenses resulting from failure to ship and route by cheapest way or as instructed by Buyer, and to reimburse Buyer for any such charges or expenses incurred by Buyer for its failure to do so. (b) Buyer's count and weight are to be accepted as final on any shipments. (c) If deliveries of goods are made in advance of the date agreed upon, Buyer shall have the right to store or return such goods at Seller's expense, and if returned, Seller shall hold them for delivery at the appropriate time. (d) If Seller becomes aware that the delivery deadline, as set forth in an Order or an Order Confirmation, cannot be met, Seller shall promptly notify Buyer in writing of such delay, including the reasons and the expected duration of such delay. (e) Unless otherwise stated on the face of an Order, Seller agrees to ship and deliver all goods ordered pursuant to such Order F.O.B. destination listed on the related Order (free from expense for Buyer). Such shipment shall be by the method specified in such Order. (f) All package exteriors, packing lists, bills of lading, shipping notices, tags, correspondence, etc., must display Buyer's purchase order number. All goods shall be packaged in accordance with any applicable specifications cited in the related Order. If no such packaging specifications are cited, packaging shall be in accordance with commercial packaging requirements to ensure that no damage shall result from weather and/or transportation. (g) Unless otherwise provided in an Order, Seller shall have title to and bear the risk of any loss or damage to the goods purchased under such Order until they are delivered in conformity with such Order at the F.O.B. point specified on the face thereof or after any rejection of such goods by Buyer, unless such loss results from Buyer's negligence. Upon such delivery, title shall pass from Seller. Passing of title upon such delivery shall not constitute acceptance of any goods by Buyer.

**INSURANCE.** In the event that Seller's obligations under an Order require or contemplate performance of services by Seller's employees, or persons under contract to Seller, to be done on Buyer's property, or property of Buyer's customers, Seller agrees that all such services shall be done as an independent contractor and that the persons doing such services shall not be considered employees or agents of Buyer or Buyer's customers. Seller shall indemnify and save harmless and defend Buyer and Buyer's customers from any and all claims or liabilities arising out of such services. In addition, Seller shall maintain all customary insurance coverages, including public liability and Workmen's Compensation insurance.

**OWNERSHIP OF MATERIALS.** (a) Unless otherwise specified in an Order, all designs, tools, patterns, drawings, specifications, materials, dies, tools, molds, cuts, engravings, information, etc. furnished to Seller by Buyer shall remain Buyer's property, and Seller shall not use any such property or information to produce or manufacture larger quantities of goods and/or services other than those specified in Buyer's Orders without first obtaining Buyer's written consent. Seller shall promptly deliver all such property and information to Buyer upon completion of Seller's use thereof, without demand therefor, or, if Buyer demands delivery of same prior to completion of work, Seller shall return such property and information to Buyer in accordance with the terms of said demand. (b) If any of Buyer's furnished property or information is misused, wasted or destroyed as a result of the negligence of, or mishandling by, Seller or any of its subcontractors, Buyer reserves the right to recover the reasonable losses incurred by Buyer in connection therewith. (c) All tooling and test equipment manufactured in the performance of an Order shall become the property of Buyer; and any exception to this provision must be expressed in writing on the face of the related Order or an appropriate written amendment thereto.

**DATA/INFORMATION.** (a) All technical data (including data in the nature of designs, blueprints, specifications, engineering data for production or product know-how) and all other information or documents marked as "confidential," "proprietary" or containing other similar markings which are supplied to Seller by Buyer or developed by Seller or others in connection with goods or services to be delivered by Seller pursuant to any Order (collectively, "**Buyer's Data**") shall be considered and kept confidential by Seller. (b) Without Buyer's advance written consent, Seller shall not, and shall cause its employees and agents not to, directly or indirectly, (i) copy, reproduce or use Buyer's Data except in the delivery of goods to or performance of services for Buyer, (ii) disseminate the fact that Seller furnished or has contracted to furnish Buyer with goods and/or services, (iii) disclose any Buyer's Data to unauthorized third parties, or (iv) use the name or trademarks of Buyer or its products in Seller's advertising materials, technical or scientific publications or other public release (each such disclosure, an "**Unauthorized Disclosure**"). Seller shall promptly return all of Buyer's Data in its possession regarding any Order upon the termination of such Order, or at any other time upon Buyer's written request therefor. Seller shall provide adequate physical protection to Buyer's Data so as to prevent access by any person or entity not authorized access by Buyer. (c) If Seller places on the goods delivered to Buyer a trademark or a trade name of or for Buyer, Seller acknowledges that all brand names, trade names and trademarks incorporated onto or associated with such goods (collectively, the "**Marks**") acquired by Buyer are the exclusive property of Buyer. Seller shall not make any use of the Marks at any time except as authorized in writing by Buyer. Seller agrees that any document, data or information (including drawings and instructions) provided to Buyer in connection with an Order shall be free from confidential, proprietary, or restrictive use markings, other than statutory patent or copyright notices. Buyer and its agents and assigns may duplicate such documents, data or information in connection with further manufacture, use, or disposition of the goods and/or services furnished under an Order, and may remove, obliterate, or ignore any such markings as may be on such documents. All documents, data and information disclosed or furnished by Seller in connection with an Order shall be deemed to be disclosed or furnished as part of the consideration for such Order, and Seller agrees not to assert claims by reason of Buyer's use, duplication, or disclosure thereof.

**PROPRIETARY RIGHTS.** All rights, title and interest in and to any ideas, designs, concepts, methods, techniques, processes, analyses, know-how, inventions, discoveries, developments, improvements, trade secrets, code, data, visual, written or other graphic materials, computer programs, source code and program codes, works of authorship, models, and any and all other intellectual property and intellectual property rights therein that arise out of the work performed or related to the goods or services furnished pursuant to any Order (the “IP”) made, conceived, devised, originated, discovered, invented, created, developed or reduced to practice (“Invented”) solely by Buyer shall be owned by Buyer. All IP Invented solely by Seller shall be owned by Seller, and Seller hereby grants to Buyer an irrevocable, transferrable, royalty-free, non-exclusive, worldwide license to practice and use the IP of Seller, if any, necessary for Buyer to fully use and exercise all rights in (a) the goods or services delivered by Seller and (b) the Assigned IP; provided, however, that all IP Invented solely by Seller or jointly by Seller and Buyer in the performance of or related to the goods furnished pursuant to any Order (“Assigned IP”) shall be owned solely by Buyer. Seller agrees to assign and upon their authorship, preparation, production, conception, design, development or creation, expressly and automatically assigns to Buyer (and agrees not to otherwise make use of) any such Assigned IP, such assignment(s) to constitute additional consideration for Buyer’s Order. Upon completion of performance of an Order, Seller shall deliver to Buyer any and all information relating to any Assigned IP relating to such Order, and shall cause its employees or others subject to Seller’s instructions to sign all documents necessary or desirable to transfer title thereto to Buyer and to enable Buyer to perfect, maintain, enforce and defend such Assigned IP throughout the world. IP Invented by “Seller” and “Buyer” shall mean by Seller and Buyer, as applicable, and any person(s)/entity(ies) working under their respective direction or on their respective behalves.

**MISCELLANEOUS.** (a) Seller shall not assign any Order in whole or in part, or enter into any subcontracts hereunder, without Buyer’s prior written consent. (b) The rights and remedies provided to Buyer shall be cumulative and in addition to any other rights and remedies provided by law or equity. (c) Buyer specifically reserves the right, in its sole discretion, to setoff against amounts to be paid by Buyer to Seller under its contracts with Seller (including any Order), any amounts which Seller may owe to Buyer or its affiliates, whether by way of credit, indemnification or otherwise, and whether pursuant to such contract or any other agreement between Seller and Buyer or Buyer’s affiliates. (d) A waiver of a breach of any provision of any Order (including these Terms and Conditions) shall not constitute a waiver of any other breach. (e) If any provision of an Order is adjudged by any court of competition jurisdiction to be invalid, such judgment shall not invalidate the remainder of such Order, but shall be confined in its operation to the provision directly involved in the controversy in which judgment shall have been rendered. (f) Each Order shall be governed by and interpreted pursuant to the laws of the State of North Carolina, and shall expressly not be governed by the United Nations Convention for Contracts for the International Sale of Goods. For any action brought by Seller against Buyer, exclusive jurisdiction and venue shall be Charlotte, North Carolina, USA. For any action brought by Buyer against Seller, Seller consents to the nonexclusive jurisdiction and venue of any state or federal court located in Charlotte, North Carolina, USA. (g) Seller warrants and certifies that in performance of each Order, it shall comply with all applicable statutes, rules, regulations, and orders of the Government or any applicable judicial authority, including regulations governing the treatment of employees, environmental protection, on-the-job safety, and the export and import laws of all countries involved in the sale of goods under an Order. Seller shall strive to reduce negative effects on man and the environment through its activities, including compliance with the principles of the Global Compact Initiative of the United Nations and Buyer’s Code of Conduct. Information on the U.N.’s Global Compact Initiative is available at [www.unglobalcompact.org](http://www.unglobalcompact.org) and information on Buyer’s Code of Conduct is available at [www.forbo.com/corporate](http://www.forbo.com/corporate). (h) If certificates are required by the terms of an Order (e.g., Certificate of Compliance), then Seller represents and warrants to Buyer and Buyer’s customers that all actions required to provide such certificates has been taken and such certificates are true and correct.