

NTF MICRO FILTRATION USA, INC.

NTF MANUFACTURING USA, LLC.

GENERAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND/ OR SERVICES

September 4, 2020

1. TERMS OF AGREEMENT

- a. Each purchase order Purchaser issues ("Purchase Order") is Purchaser's offer to purchase the Goods and/ or Services and/ or Services ("Goods and/ or Services and/ or Services") identified in that Purchase Order. Seller will be deemed to have accepted a Purchase Order as issued if (i) Seller fails to object to it in writing within ten (10) business days after receipt and has begun or later begins performance under the Purchase Order, or (ii) if Seller acknowledges in writing its acceptance of the Purchase Order.
- b. Upon acceptance, a Purchase Order together with these General Terms and Conditions and any other documents (i) specifically incorporated in the Purchase Order and/or (ii) separately agreed to in writing, such as specifications, drawings, requirements of Purchaser's customer, or quality requirements, will become a binding contract between Purchaser and Seller (collectively, the "Contract").
- c. Alternative terms are expressly rejected unless incorporated into a Purchase Order issued by Purchaser.
- d. Any work performed by Seller regarding the Goods and/ or Services and/ or Services specified in this Contract, including the manufacture and/or delivery of said Goods and/ or Services and/ or Services, shall not be deemed work under any other agreement between the Parties.
- e. If terms & conditions were previously issued with your long-term supply of products, those terms will supersede these general terms and conditions.

2. DEFINITIONS

- a. "Delivery Date" means the date or dates specified in this Contract on which Seller is required to deliver the Goods and/ or Services and/ or Services.
- b. "Delivery Destination" means the location specified in this Contract to which Seller is required to deliver the Goods and/ or Services and/ or Services.
- c. "Owner" means the owner of the site to which the Goods and/ or Services and/ or Services shall be delivered.
- d. "Purchaser" means NTF Micro Filtration USA, Inc./NTF Manufacturing USA, LLC, the buyer of the Goods and/ or Services and/or Services as identified in this Contract.
- e. "Specification" means the most current version of all applicable specifications and requirements either: (i) provided by Purchaser, including other documents or requirements specifically incorporated or referenced in these General Terms, Purchase Orders, bills of materials, statements of work, project schedules, and/or drawings; or (ii) any samples, drawing, spec sheets, or other descriptions or specifications or representations provided by Seller that are approved of by Purchaser or relied upon by Purchaser.
- f. "Subcontractor" means any third-party assisting Seller in the manufacture or delivery of the Goods and/ or Services and/ or Services.
- g. "Goods and/ or Services and/ or Services" means all products identified in a Purchase Order, including those Goods and/ or Services and/ or Services identified in any statement of work or product specific attachment or amendment to these General Terms.

- h. "Seller" means the seller of the Goods and/ or Services and/ or Services, as identified in this Purchase Order, including without limitation to its agents and third-party obligations relating to the Work.
- i. "Work" means the manufacturing, assembly, supply, provision, shipping and delivery of the Goods and/ or Services and/ or Services.

3. SPECIFICATION AND QUALITY OF GOODS AND/ OR SERVICES

The Goods and/ or Services must satisfy the Specifications. Where no Specifications have been provided, the Goods and/ or Services shall in any event be of acceptable quality to satisfy, at the very least, the normal requirements of reliability, effectiveness and workmanship. Where a specification has been provided by Seller and relied upon by Purchaser, Seller shall warrant that the Goods and/ or Services shall meet or exceed the minimum standards of such specification.

4. DELIVERY OF GOODS AND/ OR SERVICES

- a. TIME, QUANTITY AND QUALITY ARE OF THE ESSENCE AS TO THE COMPLETION AND DELIVERY OF ALL GOODS AND/ OR SERVICES. Unless otherwise directed by Purchaser in writing, Seller shall deliver the Goods and/ or Services in strict accordance with the Contract terms.
- b. If Seller is late in the delivery of any Goods and/ or Services, or if Seller cannot deliver the full quantities of Goods and/ or Services required under this Contract, or if Seller cannot meet the quality requirements under this Contract, then Seller shall be in default under this Contract. In addition to any other obligations to which Seller shall be subject to under this Contract, if Seller cannot meet the delivery dates, quantities or quality requirements specified in this Contract, Seller will promptly notify Purchaser and Purchaser may, at its option:
 - i. cancel all or any portion of the Purchase Order, without liability to Purchaser; and/or
 - ii. require Seller to deliver the Goods and/ or Services using priority freight delivery with incremental freight charges at Seller's expense; and/or
 - iii. have an alternative supplier provide the required Goods and/ or Services that were to have been supplied by Seller at Seller's expense.
- c. If the provisions in Section 4(b)(i)-(iii), alone or together, are insufficient to meet Purchaser's requirements, Purchaser may:
 - i. purchase substitute Goods and/ or Services and hold Seller accountable for the difference between the price of the Goods and/ or Services and the price paid by the Purchaser for substitute Goods and/ or Services, if higher, including amounts charged for shipping, insurance, handling, and any taxes or duties; and
 - ii. may exercise the rights set forth in Section 2-716 of the Uniform Commercial Code or as otherwise available at law or in equity.

Purchaser may return over-shipments to Seller at Seller's expense.

- d. The provisions of Sections 4(b) and (c) are in addition to all of Seller's other obligations under this Contract and are in addition to all of Purchaser's other rights and remedies provided at law, in equity and in this Contract.
- e. Seller will pack and ship Goods and/ or Services in accordance with Purchaser's instructions, including labeling and hazardous materials instructions. If Purchaser has not provided packing or shipping instructions, Seller will pack and ship Products in accordance with sound commercial

practices. If Seller is required to use Purchaser's returnable packaging, Seller will be responsible for cleaning and returning the returnable packaging.

- f. Seller will include with each delivery of the Goods and/ or Services a packaging list identifying the Purchase Order number, a description and quantity of the Goods and/ or Services, and the date of shipment.
- g. Seller shall ship the Goods and/ or Services FOB Purchaser's dock or, if a Delivery Destination is specified, FOB Delivery Destination. Seller is responsible for all shipping and delivery charges including, without limitation, customs, duties, costs, taxes and insurance. Risk for delivery of the Goods and/ or Services remains with Seller until the Goods and/ or Services are delivered, received and inspected by Purchaser.

5. INSURANCE REQUIREMENTS FOR GOODS AND/ OR SERVICES

- a. The Goods and/ or Services shall be insured by Seller at replacement cost until delivered and accepted by Purchaser.
- b. Upon request, Seller shall provide Purchaser with evidence of insurance coverage sufficient to cover the actual replacement cost of the Goods and/ or Services.
- c. Upon request, Seller shall include Purchaser as an additional named insured on any insurance policy applicable to the loss of the Goods and/ or Services.

6. PRICES, CHARGES, FEES, TAXES, INVOICES AND PAYMENT

- a. The price, charges, fees and taxes established within this Contract shall be deemed to be in accordance with Seller's proposal of offered price and fully inclusive of all charges, fees and taxes previously agreed upon between Seller and Purchaser whether such agreement was written, verbal or by electronic ordering system.
- b. The prices, charges, fees and taxes shall be deemed fixed, unless this Contract is amended in writing.
- c. Once Purchaser accepts delivery of the Goods and/ or Services, Seller shall send its invoice in accordance with the terms and conditions established in this Contract. Seller's invoice shall include the Purchase Order number, description, unit price and quantity of the Goods and/ or Services, the Delivery Destination and the Delivery Date. Seller may only invoice, in an amount not to exceed, the value established in this Contract.
- d. If a date for payment of properly issued invoices is not set forth in this Contract, Purchaser will pay invoices for Goods and/ or Services that are properly delivered and not subject to dispute ninety (90) days EOM (from the end of the month) in which the delivery of the Goods and/ or Services to the Delivery Destination is complete. If the payment date is not a business day, payment will be due the next business day thereafter.
- e. Payment for Goods and/ or Services will not constitute acceptance of non-conforming Goods and/ or Services, nor will it limit or affect any rights or remedies of Purchaser.
- f. In addition to any right of setoff or recoupment provided by law or in equity, Purchaser will be entitled at any time to set off or recoup against sums payable by Purchaser to Seller (or any of Seller's Subsidiaries or affiliates) any amounts for which Purchaser determines in good faith Seller or any of Seller's Subsidiaries or affiliates is liable to Purchaser.

7. PURCHASE PRICE ADJUSTMENTS AND QUANTITY CHANGES

- a. The value of this Contract may only change via an authorized amended purchase order. Conditions of purchase price adjustment may include change in Goods and/ or Services, change in quantity of ordered Goods and/ or Services, change in unit pricing, and changes in charges, fees or taxes. In any event of change, Seller agrees to provide an amended proposal of Seller's offered price fully inclusive of all charges, fees and taxes whether such agreement was written, verbal or by electronic ordering system.
- b. Should the price, charges, fee and taxes cause the revised price to increase beyond the originally established purchase price, as provided within this Contract, Seller agrees not to manufacture or deliver Goods and/ or Services in excess of the terms specified in this Contract until this Contract is either amended in writing or a new purchase order is issued.
- c. Seller shall not obligate itself to costs beyond the value of this Contract without Purchaser duly executing an amended purchase order or initiating a new purchase order covering Seller's revised obligation. In the event Seller does obligate itself beyond the value of this or any amended Contract, Seller understands and agrees it does so at its own cost and liability.

8. REPRESENTATIONS AND WARRANTIES

- a. Seller represents and warrants that it has the full power to enter into this Contract and perform its obligations under this Contract.
- b. Upon execution of this Contract, both Seller and Purchaser represent and warrant that the terms and conditions contained in this Contract are in accordance with Seller's proposal of offered price and fully inclusive of all charges, fees and taxes previously agreed upon between Seller and Purchaser whether such agreement was written, verbal or by electronic ordering system.
- c. Seller, whether the original equipment manufacturer, dealer, agent, third-party re-seller or any other transacting capacity, agrees to convey the full and authorized product warranty of the original equipment manufacturer to Purchaser, any installing subcontractor and/or the Owner.
- d. Seller warrants to Purchaser that (i) the Goods and/ or Services will be free from defects in workmanship and materials, and will conform to the specifications, drawings, samples, and performance requirements specifically incorporated in this Contract; (ii) where Specifications have not been provided, Seller warrants that the Goods and/ or Services will be produced in a good, professional and workmanlike manner, free from defects in material and workmanship and in accordance with industry standards; (iii) Seller will use qualified personnel with suitable training, education, experience and skill to perform any services required to complete the Goods and/ or Services in accordance with timing and other requirements of this Contract; and (iv) Seller will transfer to Purchaser ownership and good title to the Goods and/ or Services, free of all liens, encumbrances, and rights of third parties and that Seller shall indemnify and hold Purchaser harmless against any such claims, wherever and whenever such claims may be asserted.
- e. If some or all of the Goods and/ or Services fail to meet the Specifications and/or are otherwise defective, Seller shall immediately replace, at Seller's cost, any such Goods and/ or Services. Seller shall expedite delivery of said replacement Goods and/ or Services so as not to delay Purchaser's operations, Seller agrees to indemnify and hold Purchaser harmless for any damages or liability that may result from such delay.

- f. **Non-Conforming Products.** Except as otherwise specifically provided in the Contract, Buyer's sole remedy for Products or Services that do not conform to the warranties and specifications will be to (1) reject the non-conforming Products or Services, (2) require Seller, at Seller's option and expense (including applicable shipping costs), to either repair or replace the non-conforming Products or Services, and/or (3) require Seller to implement at its expense containment, inspection, sorting, and other quality assurance procedures if Buyer reasonably determines (through statistical sampling or other quality assessments) that a substantial quantity of incoming Products does not conform to the warranties and specifications. To the full extent possible, Buyer will provide Seller with access to any available warranty data related to the Products and any available field-returned Products. Buyer will also provide Seller with an opportunity to participate in any root cause analysis performed by Buyer concerning the Products.

9. ASSIGNMENT

- a. Seller may not assign any of its rights or delegate any of its obligations under the Contract without prior written consent of Purchaser, which Purchaser will not unreasonably withhold. Purchaser may, at its option, void any attempted assignment or delegation undertaken without Purchaser's prior written consent.
- b. Seller may not subcontract any of its rights or obligations under this Contract without Purchaser's prior written consent. If Purchaser consents to the use of Seller's subcontractor, Seller will:
 - i. guarantee and will remain liable for the performance of all subcontracted obligations;
 - ii. indemnify Purchaser for all damages and costs of any kind incurred by Purchaser or any third party and caused by the acts, errors or omissions of Seller and its subcontractor; and
 - iii. make all payments to its subcontractors.
- c. If Seller fails to timely pay its subcontractor for any work related to the Goods and/ or Services, Purchaser shall have the right, but not the obligation, to pay Seller's subcontractor and offset any amount due to Seller by any amount paid to Seller's subcontractor. Seller will defend, indemnify and hold Purchaser harmless for any and all damages and costs of any kind, without limitation, incurred by Purchaser as a result of Seller's failure to pay any subcontractor.
- d. To the extent allowed by applicable law, no person who is not a party to this Contract shall be entitled to take the benefit of any of its terms.

10. TERM AND TERMINATION

- a. This Contract shall remain in effect with respect to any production, supply and delivery of Goods and/ or Services until such is either terminated or completed and accepted.
- b. Purchaser may terminate this Contract, with or without cause, upon fifteen (15) days written notice to Seller. Upon receipt of notice of such termination, Seller will inform Purchaser of the extent to which it has completed the Goods and/ or Services as of the date of the notice, and Seller will collect and deliver to Purchaser whatever Goods and/ or Services then exist. Purchaser will pay Seller for all Goods and/ or Services delivered and accepted through the effective date of the termination, provided that Purchaser will not be obligated to pay any more than the payment that would have become due had Seller completed and Purchaser had accepted the completed Goods and/ or Services. Purchaser will have no further payment obligation in connection with any termination.

- c. Purchaser may terminate this Contract immediately upon notice of the occurrence of any of the following events:
 - i. a receiver is appointed for Seller;
 - ii. Seller makes a general assignment for the benefit of its creditors;
 - iii. Seller commences, or has commenced against it, proceedings under any bankruptcy, insolvency or debtor's relief law, if such proceedings are not dismissed within sixty (60) days; or
 - iv. Seller is liquidating, dissolving, or ceasing to do business in the ordinary course.
- d. Seller shall immediately notify Purchaser if there is a change in ownership representing twenty (20) percent or more of the equity ownership of Seller. Seller may, at its sole discretion, immediately terminate this Contract upon receipt of said notice.
- e. Purchaser may terminate this Contract immediately by delivering written notice to Seller for any material breach not cured within thirty (30) days of receipt of notice of the breach. Purchaser shall have no further payment obligation to Seller if Purchaser terminates this Contract under this Section.
- f. Any obligations or duties which, by their nature, extend beyond the expiration or termination of this Contract shall survive the expiration or termination of this Contract.

11. INDEMNIFICATION

- a. As used in this Section, a "Claim" is any claim, demand, loss, damage, liability, cost or expense (including professional fees and costs as incurred) for which one party may be obligated to defend, indemnify and hold the other party harmless.
- b. Seller shall defend, indemnify and hold Purchaser harmless from and against any and all Claims as incurred, arising out of or in connection with any act or omission of Seller, including its Subcontractors, in the manufacture and/or delivery of the Goods and/ or Services, or any infringement of a third party's intellectual property rights or any other rights.
- c. Seller shall indemnify and hold Purchaser harmless from and against any and all Claims, as incurred, arising out of any negligent or willful acts or omissions of the Seller which result in personal injury (including death) or damage to tangible property.
- d. Nothing in this Section shall limit any other remedy of the parties.

12. LIABILITY

- a. Notwithstanding anything else in this Contract or otherwise, Purchaser shall not be liable to Seller with respect to the subject matter of this Contract under any contract, negligence, strict liability or other legal or equitable theory for any amounts in excess in the amount Purchaser paid Seller.
- b. In no event will Purchaser be liable to Seller for any incidental, indirect, special, consequential damages or loss of profits arising out of, or in connection with, this Contract, whether or not Purchaser was advised of the possible of such damage.
- c. The limitations will apply notwithstanding any failure of essential purpose of any limited remedy provided herein.

13. COMPLIANCE WITH LAWS

Seller represents and warrants that it will comply with all applicable federal, state and local laws and regulations pertaining to its performance of its obligations under this Contract. In particular and without limitation, Seller shall not act in any fashion or take any action that will render Purchaser liable for a violation of any applicable anti-bribery legislation, which prohibits the offering, giving or promising to offer or give, or receiving, directly or indirectly, money or anything of value to any third-party to assist them or Purchaser in retaining or obtaining business or in the manufacture and/or delivery of the Goods and/ or Services. Seller's failure to comply with this provision shall constitute a material breach of this Contract.

14. GOVERNING LAW

This Contract will be construed in accordance with, and all disputes will be governed exclusively by the laws of the State of Michigan. The state courts of Oakland County, Michigan and federal courts sitting in the Eastern District of Michigan have exclusive jurisdiction to determine any dispute arising under or relating to this Contract and/or these General Terms. The Parties consent to the personal jurisdiction in Michigan and hereby irrevocably waive any claim either party may have that any proceedings brought in such courts have been brought in an inconvenient forum.

15. GENERAL

- a. Any notice to be given under this Contract will be in writing and addressed to the party at the address stated in the front of the Purchase Order. Notices will be deemed given and effective:
 - i. if personally delivered, upon delivery;
 - ii. if sent by an overnight service with tracking capabilities, upon receipt;
 - iii. if sent by fax or electronic mail, at such time as the party sending the notice receives confirmation of receipt by the applicable method of transmittal; or
 - iv. if sent by certified or registered mail, within five days of deposit in the mail.
- b. If there is a conflict between or among the Purchase Order and any documents attached to and incorporated by reference, the conflict will be resolved as follows: A conflict between the terms of the Purchase Order and those set forth in the Specifications (including any description of the Goods and/ or Services and/or any specification directly or indirectly applied thereto) will be resolved in favor of the Specifications.
- c. If any court of competent jurisdiction holds that any provision of this Contract is illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining provisions of this Contract will not be affected or impaired, and all remaining terms of this Contract remain in full force and effect, provided that this provision shall not be applied to defeat the intent of the parties.
- d. A party's election not to insist on strict performance of any requirement of this Contract will not operate or be construed to waive any future omission or breach, or any other provision of this Contract.