

**Industrial Dielectrics, Inc. /dba
Composites International, Inc.**

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Industrial Dielectrics, Inc. / dba Composites International, Inc. (CI)
TERMS AND CONDITIONS

1. **ENTIRE AGREEMENT** – Customer's Credit Application, Customer's Orders, CI's Customer Acknowledgment, Shipping Documents, and SMC & BMC Sales & Service Guidelines & Information Sheet together with these Terms and Conditions shall constitute the complete, exclusive and final expression of the parties' agreement for the sale of goods (the "Agreement"). No course of prior dealings and no usage of the trade which is inconsistent with any such documents shall be binding on the parties. This Agreement may be amended and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties or, in the case of a waiver, by or on behalf of the party waiving compliance.
2. **INCONSISTENCIES** – If there is any inconsistency between the terms described in Customer's Credit Application, Customer's Purchase Orders, CI's Customer Acknowledgment, Shipping Documents, SMC & BMC Sales & Service Guidelines & Information Sheet, and/or any other document; on the one hand, and the Terms and Conditions described in this document, the Terms and Conditions described in this document shall control and supersede any inconsistent language therein. If Customer and CI have a negotiated supply agreement, the specific terms of that supply agreement will control and supersede any inconsistent language herein. Customer agrees to accept any quantities shipped by CI as outlined in the Minimum Release Quantities section of SMC & BMC Sales & Service Guidelines & Information Sheet, which can be found on our website at www.idicomposites.com.
3. **SHIPMENTS/DELIVERY DATES** - CI shall not be liable for damages caused by delays in shipment or delivery.
4. **TITLE AND RISK OF LOSS** – Title to and risk of loss of the goods herein described shall pass to Customer upon delivery of said goods to carrier at CI's Noblesville facility. Title to and risk of loss of said goods shall pass to Customer in no other way, despite agreement by CI to pay freight, express, or other transportation or insurance charges, or other facts which might imply some other arrangement regarding transfer of title or risk of loss.
5. **PAYMENT TERMS AND PRICES** – CI may, at its option, require full or part payment in advance before manufacturing goods for, or delivering goods to, Customer or require Customer to obtain an irrevocable letter of credit in favor of CI from an issuer acceptable to CI. If CI does not require cash in advance or require a letter of credit, payment is due thirty (30) days after the invoice date unless agreed to otherwise in writing. These terms of payment by Customer are the essence of this Agreement. If Customer fails to make any payment when due, CI may decline to make further shipments until such default is cured. In the alternative, CI may elect to continue to make shipments despite the continuance of such default, but such election by CI shall in no way constitute a waiver of such default or affect CI's legal remedies therefore. Prices are in U.S. Dollars and are firm. Late payments will be subject to a 1.5% (one and one-half) percent finance charge per month on the unpaid balance from date due until paid in full. Customer shall pay all costs associated with collection, including reasonable attorneys' fees. Customer shall not be entitled to set off claims for money due or to become due from CI against invoices.
6. **TAXES, TARIFFS, DUTIES AND CLEARANCE EXPENSES** – Customer assumes full responsibility, including reporting and payment of all taxes, tariffs, duties and clearance expenses, or other governmental charges arising out of, levied or based upon, or in connection with the sale or shipment of the goods herein described, including, but not limited to, state and local privilege, sales and use, or excise taxes based on gross revenue or any taxes or amounts in lieu thereof paid or payable by CI in respect to this transaction exclusive, however, of taxes paid on net income. CI's invoice may include any such taxes and any expense incurred by CI in shipping the goods to the destination specified by Customer.
7. **FREIGHT AND INSURANCE** – Absent contrary instruction, all deliveries shall be made F.O.B from CI's Noblesville facility. If CI is to pay freight, CI shall have the right initially to designate the means of transportation and routing, but if Customer desires a different means of transportation or routing, Customer shall pay any extra cost involved. Customer shall pay to CI any increase in freight charges or shipment of the goods imposed subsequent to the date of shipment. Customer or Customer's customer shall insure the goods described herein until the goods arrive at Customer or Customer's customer, and CI shall be named as a loss payee or the proceeds of such insurance shall be assigned to CI.
8. **CUSTOMER SAMPLING:** CI provides sample goods to Customer so that Customer can perform any needed testing or suitability analysis.
9. **CUSTOMER TESTING:** CI relies upon Customer to conduct its own tests and judge for itself the suitability of CI's goods for Customer's uses, including any production, final part, or final application testing that Customer may desire.
10. **CUSTOMER ORDERING/ACCEPTANCE:** By ordering, accepting, or using CI's goods, Customer acknowledges that it has tested CI's goods and determined that they are suitable for Customer's use.
11. **CI TESTING:** Other than its internal quality control testing, CI will not perform any final part or final application testing of CI's goods UNLESS specifically agreed to in writing. Any such testing that CI agrees to perform may subject Customer to an additional charge.
12. **CI CERTIFICATION:** CI will not certify that its goods meet any particular specification or have any particular attribute UNLESS specifically agreed to in writing. Any such certification that CI agrees to perform may subject Customer to an additional charge.
13. **LIMITATION OF WARRANTIES** – CI warrants that its goods will be free from defects in material or workmanship. **CI MAKES NO OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.** CI relies on Customer to conduct its own tests and judge for itself the suitability of the goods.

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TERMS AND CONDITIONS

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14. **LIMITATION OF LIABILITY AND REMEDIES** – Customer’s remedy against CI for any alleged breach or defect is limited to repair or replacement of the purchased goods or a refund of its purchase price, as determined by CI in its sole discretion. CI shall not be liable for lost profits or any special, indirect, direct, consequential or punitive damages. Nor shall recovery of any kind against CI be greater in amount than the purchase price of the specific goods sold and causing the alleged damage. Customer assumes all risk and liability for loss, damage, or injury to persons or property of Customer or those purchasing the goods through Customer or others arising out of the use or possession of the goods herein described.
15. **CLAIMS** – Within thirty (30) days of shipment of the goods to Customer and before any part of such goods (except for reasonable test and inspection quantities) has been changed from its original condition, Customer shall inform CI in writing if said goods are found unacceptable in quality, quantity, or any other respect. Failure to so inform CI, or use of said goods (except for reasonable test and inspection quantities), shall be conclusive proof that CI has satisfactorily performed. Goods are only to be returned to CI with its approval. Cost of shipping defective goods not approved for return will be borne by Customer. Claims for damage of goods during shipping or storage because of temperatures above 75°F, will be considered void.
16. **INDEMNITY** – Customer shall indemnify, defend and hold CI harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys’ fees) arising out of third-party claims or lawsuits related to or arising out of Customer’s breach of its obligations under this Agreement, or any of its covenants, representations or warranties made to CI. Upon the assertion of any such claim or suit, CI shall promptly notify Customer and Customer shall appoint counsel reasonably acceptable to CI to represent CI with respect to any claim or suit for which indemnification is sought.
17. **INTELLECTUAL PROPERTY INDEMNITY** – If the goods herein described are to be manufactured by CI based on specifications, drawings or materials furnished by Customer, Customer agrees to indemnify and hold harmless CI, its successors and assigns, against any and all loss, damage, or injury arising out of a claim or suit for alleged infringement of any letters patent or trademark granted by the United States or any foreign government relating to the goods herein described. Customer agrees that in such event it will assume the defense of any and all such suits and pay all costs and expenses incidental thereto. Patents and Trademarks owned by CI are the exclusive property of CI and no license is granted in conjunction with these Terms and Conditions.
18. **CUSTOMER-SUPPLIED MATERIALS**: When CI is to manufacture goods utilizing Customer-supplied materials, Customer shall not be able to claim the goods are unfit for the intended use. Furthermore, Customer agrees to have materials fully available CI a minimum of 48 hours before manufacturing is scheduled to begin and a commercially reasonable allowance for startup and manufacturing yield loss is to be included.
19. **CUSTOMER’S RESPONSIBILITY FOR UNIQUE RAW MATERIALS PURCHASED BY CI**: If CI procures unique raw materials to be used in manufacturing goods for Customer, Customer must pay CI for the unique raw materials purchased even if Customer never orders other goods from CI, cancels any order, or changes the order. Customer will be billed for those unique purchases even if Customer does not order any other goods from CI.
20. **FORCE MAJEURE** – Neither party to this Agreement shall be liable for any loss or damage of any nature whatsoever incurred or suffered as a result of any failure or delays in performance due to any cause or circumstance beyond its control, including but not limited to, any failures or delays in performance caused by any strikes, lockouts, or labor disputes, fires, acts of God or the public enemy, riots, incendiaries, interference by civil or military authorities, compliance with the laws of the United States of America or with the orders of policies of any governmental authority, delays in transit or delivery on the part of transportation companies or communication facilities. In such event, CI may, at its option, make deliveries ratably with reference to itself and all its Customers. But Customer’s lack of financial ability to pay for the goods shall never excuse Customer’s performance of its obligations.
21. **GOVERNING LAW, VENUE AND ASSIGNMENTS** – This Agreement and the obligations hereby imposed on CI and Customer be governed by the substantive laws of the State of Indiana, other than its choice of law rules, unless (a) the goods are to be shipped to Customer’s location outside of the United States of America, and (b) Customer is neither a U.S. citizen or U.S. business entity, in which case this Agreement shall be enforced pursuant to the United Nations Convention on Contracts for the International Sale of Goods. Any claim relating to this Agreement must be brought in Hamilton County, Indiana state court or in the U.S. District Court in Indianapolis. This Agreement shall not be assigned by either Party without the other party’s prior written consent, which consent will not be unreasonably withheld. Except that this Agreement may be assigned without such consent to the successor of either party, or to a person, firm or corporation acquiring all or substantially all of the business and assets of either. Nothing contained herein, however, shall prevent either from lawfully assigning this Agreement to any wholly or partially owned subsidiary of either party.
22. **WAIVER OF A JURY TRIAL** – Each of CI and Customer hereby knowingly, willingly, and intentionally waives its rights to demand a jury trial in any action or proceeding involving these Terms and Conditions or the relationship contemplated hereby. In the event of litigation, these Terms and Conditions may be filed as a written consent to trial by the court.
23. **NO INDUCEMENT** - CI and Customer acknowledge that there has not been and will not be any payment, gift, compensation, commitment, or other form of inducement offered or provided to anyone, other than as specifically described herein, to submit, permit, promote, accept or obtain this order.
24. **COMPLIANCE WITH LAWS** – The parties agree that the goods purchased pursuant to this Agreement shall be manufactured, stored, shipped, received and used without violation of any applicable foreign or domestic treaty, law, order, regulation, code or ordinance properly imposed upon the parties or this transaction.