

TSI Filtration Technologies , INC.

**STANDARD TERMS FOR
PURCHASES OF GOODS OR SERVICES**

1. **Formation of Contract.** The terms set forth in this Purchase Order ("Order") are the sole terms ("Terms") for the purchase of goods and services by TSI Filtration Technologies, Inc. ("Buyer"), and shall apply to the exclusion of any additional or different terms contained in Seller's quotation, proposal or acknowledgment, or otherwise proposed by Seller. The Order is limited to and conditional upon Seller's acceptance of these terms exclusively. Seller's acceptance of these terms shall be conclusively presumed by Seller's shipment of the goods or performance of the services requested under this Order, or by Seller's return to Buyer of an acknowledgment of this Order. Any contract made for the purchase of goods or services by Buyer is conditional on Seller's assent to all of the terms stated in this Order. Buyer objects to any additional or different terms proposed by Seller.

2. **Invoicing; Payment and Price.** All invoices must show the Order number. Unless otherwise stated in this Order, invoices for accepted goods and services will be paid within 30 days of receipt. Payment does not constitute acceptance of goods or services. The price stated in this Order shall not be increased unless specifically authorized in writing by issuance of a revised Order signed by Buyer. Seller warrants that the prices charged Buyer and stated in this Order are no higher than prices charged by Seller to others for similar goods or services in similar quantities and conditions.

3. **Taxes.** No sales, use, excise or other taxes, whether federal, state or local, shall be added to the purchase price unless otherwise stated in this Order.

4. **Shipping and Delivery.** Seller shall deliver to the specific dock identified in the purchase order. Seller must include a packing list with all shipments. Delivery shall be made in one shipment immediately, unless otherwise specified by Buyer to Seller. Seller shall adhere to shipping directions specified on Buyer's releases. Seller acknowledges that time is of the essence and Seller shall notify Buyer immediately if Seller believes it cannot meet Buyer's delivery requirements. Buyer may from time to time change delivery schedules. Buyer shall not be liable for payment for goods delivered in excess of the quantities or after the times specified in Buyer's delivery instructions to Seller. Unless otherwise stated in this Order, all shipments shall be F.O.B. Buyer's plant and shall be made at Seller's expense and risk of loss. Buyer shall have the right to instruct Seller on the method of shipment and packaging. No charges will be allowed for boxing, crating, packing, or other preparation for shipment.

5. **Changes.** Any changes to the design (including drawings and specifications), processing, methods of packing and shipping, and the date or place of delivery of the goods covered by this Order shall not affect the time or performance or cost, unless Seller notifies Buyer in writing within ten (10) days of receipt by Seller of notice of any change Order. Without Buyer's prior written approval, Seller shall not change (a) any third party supplier to Seller of services, raw materials, or goods used by Seller in connection with its performance under this Order, or (b) the nature, type, or quality of any services, raw materials, or goods used by Seller or its suppliers in connection with this Order.

6. **Inspection of Goods; Samples.** All goods and services described in this Order shall be subject to Buyer's inspection and approval. Buyer reserves the right to reject any nonconforming goods or services. Acceptance of any goods shall not relieve Seller from any of its other obligations under this purchase order. Seller shall provide samples in the amounts and at the times requested by Buyer.

7. **Seller's Quality Control; Inspection of Seller.** Seller agrees to establish and maintain quality control procedures to satisfy the requirements of Buyer and Buyer's customers.

Buyer has the right to inspect Seller's plant periodically to determine Seller's compliance with applicable quality control standards.

8. Seller's Warranties. Seller expressly warrants to Buyer, its customers and assigns, that all the goods and services provided under this purchase order will (a) conform to the specifications, drawings, samples, representations and other descriptions of the goods and services specified by Buyer, or made by Seller, (b) will be of good material and workmanship, free from defects in material, design and workmanship, (c) will be merchantable and fit for the particular purposes of Buyer and its customers (to the extent Seller is on notice of those purposes); (d) will comply with all applicable laws and regulations, including but not limited to Seller's identification of any hazardous materials and Seller's providing to Buyer all applicable M.S.D.S. forms; and (e) that any tooling or dies sold or provided by Seller to Buyer will be capable of producing parts that are acceptable to Buyer and its customers. These warranties shall be in addition to any other warranty stated in this purchase order or available to Buyer under applicable law.

9. Indemnification of Buyer (General). Seller shall indemnify, defend, and hold Buyer and its agents harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, sustained by Buyer or its agents that are caused by any action of Seller with regard to this Order, including but not limited to defects in any goods or services supplied by Seller.

10. Indemnification of Buyer (Patents). Seller shall indemnify, defend, and hold Buyer and its agents harmless from any claims, liabilities and expenses, including but not limited to actual attorney fees, sustained by Buyer or its agents and arising out of any claim of infringement of a patent, copyright, trademark, trade name, or other proprietary right, or claim of unfair trade or of unfair competition, in connection with the manufacture, sale or use of the goods or services sold by Seller to Buyer, except to the extent that any claim, liability, or expense arises solely from Seller's compliance with specifications furnished by Buyer.

11. Confidentiality of Buyer's Information. Any information disclosed by Buyer to Seller is confidential and Seller agrees not to use or disclose any of that information (except as necessary to fulfill Seller's obligations under this purchase order) without Buyer's prior written consent.

12. Tools and Equipment. Unless otherwise expressly provided on the reverse side, all facilities, tools, jigs, dies, fixtures, patterns and equipment furnished to Seller by Buyer to perform the contract, or for which Seller has been reimbursed by Buyer, shall remain the property of Buyer. Seller agrees that Buyer has the right at any time, with or without reason, and without payment of any kind to retake possession of or request return of any tools and equipment belonging to Buyer. Seller shall maintain property damage insurance on that property covering the period when the property is in the Seller's possession and shall keep the property in reasonable repair. Seller shall return to Buyer all property described in this section immediately upon completing the manufacture of the goods. All shipping charges for the property described in this paragraph shall be Buyer's responsibility. Risk of loss during shipment shall be on Buyer.

13. Termination Without Breach. Buyer may terminate without breach or cause the contract evidenced by this Order at any time as to all or any part of the undelivered goods or services, by giving written notice to Seller. If Seller is not at fault, Buyer agrees to pay termination charges limited to the cost of labor and materials for producing goods under this purchase order incurred by Seller prior to the time Buyer notifies Seller of termination, less any net recovery to Seller on disposition or other use of the goods. Seller shall use its best efforts to mitigate its damages under this section. Upon receipt of notice of termination, Seller, unless otherwise directed in writing by Buyer, shall (a) terminate immediately all work under this Order; (b) transfer title and deliver to Buyer the finished work, the work in process, and the parts and materials that Seller produced or acquired in accordance with this Order and that Seller cannot use in producing

goods for itself or for others; (c) settle all claims by subcontractors approved by Buyer for reasonable costs that are rendered unrecoverable by the termination; (d) take actions reasonably necessary to protect property in Seller's possession in which Buyer has an interest; and (e) cooperate with Buyer in effecting the resourcing of Seller's goods and/or services covered by this Order to a different supplier designated by Buyer.

14. Seller's Default. Seller is in default if any of the following occurs:

- (a) Seller breaches, repudiates, or threatens to breach any term in the contract evidenced by this Order or in any other agreement between Seller and Buyer;
- (b) Insolvency of Seller or filing of a voluntary or involuntary petition in bankruptcy with respect to Seller;
- (c) Appointment of a receiver or trustee for Seller; or
- (d) Execution of an assignment for the benefit of creditors of Seller.

15. Buyer's Remedies. In the event of Seller's default, Buyer may exercise any remedies available under applicable law, including but not limited to:

- (a) Seller's immediate correction, repair, or replacement of the goods and services at Seller's expense;
- (b) Buyer may suspend payments, suspend performance, or cancel all or any part of the balance of any contract with Seller; and
- (c) Buyer, in its sole discretion, may choose to replace the goods with goods from a different seller, and seller shall (1) reimburse Buyer for the cost of the replacement goods, (2) refund to Buyer all payments made to Seller, and (3) cancel all or any part of the balance of the contract with seller.
- (d) Seller shall reimburse Buyer for all damages suffered due to Seller's breach, including but not limited to incidental, consequential and other damages, as well as lost profits, actual attorney fees, and court costs.

The remedies in this Order shall be cumulative and in addition to any other remedies allowed to Buyer under applicable law. No waiver by Buyer of any breach or remedy shall be a waiver of any other breach or remedy.

16. Limitation on Seller's Remedies. If Buyer breaches any term in this Order, Buyer shall not be liable for any incidental, consequential, indirect or any other special damages of Seller, including but not limited to lost profits or Seller's attorney fees. Any action against Buyer arising out of this Order must be filed within one (1) year after the claim accrues.

17. General.

- (a) Compliance with Laws. Seller warrants that it is and will remain in compliance with all federal, state and local laws, regulations and

ordinances relating to Seller's ability to perform its obligations under this purchase order.

- (b) Setoff. Buyer has the right to deductions or setoffs of any sums due to Buyer from Seller (whether or not arising from this Order) against any sums due to Seller from Buyer (whether or not arising from this Order).
- (c) Assignment. Seller shall not assign its rights or delegate its duties under this Order without Buyer's prior written consent. Buyer may assign to any third party its rights and obligations under this Order.
- (d) Entire Agreement and Amendment. This Order contains all of the terms of the agreement between Seller and Buyer with regard to its subject matter and supersedes all prior oral or written representations, agreements, and other communications between Seller and Buyer. The contract evidenced by this Order may be amended only by a writing signed by Seller and an officer of Buyer.
- (e) Severability. All terms shall be enforced only to the maximum extent permitted by law. If any term is invalid or unenforceable, all other terms shall remain in effect.
- (f) State Law. The sale of goods and services in accordance with this Order shall be governed in all respects by the laws of the State of Michigan.
- (g) Jurisdiction and Venue. Seller and Buyer agree that any action arising out of the sale of goods or services in accordance with this Order will be brought, heard, and decided in Mecklenburg County, NC

TSI Filtration Technologies, INC
STANDARD TERMS FOR SALES OF GOODS OR SERVICES

1. Formation of Contract. The terms set forth in this form are the sole terms for the sale of goods and services by TSI Filtration Technologies, Inc. ("Seller"), unless otherwise specifically provided for by Seller in this document, and shall apply to the exclusion of any inconsistent or additional terms contained in Buyer's order or acknowledgment or otherwise proposed by Buyer. Buyer's acceptance of these terms shall be conclusively presumed by Buyer's signature on this form or by Buyer's submission of a purchase order in response to this document. Any contract made for the sale of goods or services by Seller is expressly conditional on Buyer's assent to the terms stated in this document. Seller objects to any additional or inconsistent terms proposed by Buyer.

2. Price.

- a) Exclusions. The quoted price does not include applicable taxes such as city, state or federal, sales, use, or excise taxes.

Furthermore, the quoted price does not include any other products, services or work not specifically described in this document. All taxes and charges shall be Buyer's responsibility and may be added to the invoice as a separate and additional charge to Buyer unless an acceptable exemption certificate is presented to Seller. Seller shall also have the right to separately bill Buyer at any time for any taxes and charges that are attributable to this sale, that the Seller may be required to pay. Buyer shall reimburse Seller on demand for all those amounts.

b) Price Increases. The price quoted by Seller shall be subject to any increases in Seller's cost of labor or materials occurring after the date of this quotation and before shipment. The price shall also be subject to increases to accommodate shipment in more than one lot, in the event Buyer does not desire shipment at one time of all the goods covered by this quotation.

2. Payment Terms. Payment in full on all invoices is due thirty (30) days after invoice date. Invoices not paid within thirty (30) days shall have a service charge added to the amount due of one and one half percent (1 ½ %) per month. No cash discounts shall be allowed.

3. Shipping. Unless otherwise indicated, all quoted prices are F.O.B., Seller's plant. Freight may be prepaid by Seller at its option and added to the invoice. Buyer shall promptly inspect all goods received from Seller and promptly inform Seller of any defects before using the goods.

4. Limited Warranty and Disclaimer. Seller warrants to the original Buyer that the goods manufactured by Seller shall be free under normal use from defects in material or workmanship, except for normal wear and tear, for a reasonable period of time not to exceed twelve (12) months from the date of shipment from Seller's warehouse. This warranty does not extend to future performance. The determination of whether a defect exists shall be made solely by Seller. Buyer shall not return any goods to Seller until Seller has been provided a reasonable opportunity to inspect and sample the goods at the Buyer's premises to determine whether a defect exists and whether the goods should be repaired or replaced. Any shipping cost for returning defective goods shall be paid by Seller. Any goods returned to Seller shall be subject to a reasonable charge to cover Seller's cost of handling, restocking, and reconditioning the goods to return them to saleable condition. This warranty shall not cover any article that has been misused, neglected, damaged or altered after leaving Seller's possession. Seller's obligation under its warranty is limited to Seller's repair or replacement, at Seller's sole discretion, of those goods sold by Seller to Buyer that do not satisfy this warranty, provided that written notice of the defect is given to Seller by Buyer within thirty (30) days after the defect is discovered.

DISCLAIMER

NOTWITHSTANDING ANY OTHER PROVISION IN THIS DOCUMENT, SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE

WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALSO DISCLAIMS AND EXCLUDES ALL LIABILITY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT OR ANY OTHER SPECIAL DAMAGES OF BUYER, INCLUDING LOST PROFITS, FOR BREACH OF WARRANTY OR OF CONTRACT OR OTHERWISE.

THIS WARRANTY IS THE SOLE AND EXCLUSIVE REMEDY OF BUYER AGAINST SELLER.

5. Buyer's Design Responsibility. This section shall apply to the extent that Seller's goods are produced according to Buyer's specifications. Buyer acknowledges that Buyer is not relying on Seller in any way for design or engineering with respect to the products or the adequacy of the specifications. Seller has no responsibility for design, engineering or other advice regarding any product specifications provided by Buyer. Buyer's responsibility shall include, but not be limited to, responsibility for determining how parts made by Seller will perform when integrated into an assembly or subassembly with parts not made by Seller. Buyer shall defend, indemnify and hold Seller harmless against all product liability, product recall, and other claims, liabilities and expenses, including but not limited to actual attorney fees, incurred by Seller arising out of any claimed design or engineering defect relating to specifications provided by Buyer to Seller.

6. Indemnification of Seller (General). Buyer shall indemnify, defend, and hold Seller and its agents harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, sustained by Seller or its agents that are caused by any action of Buyer relating to the goods or services sold by Seller to Buyer.

7. Indemnification of Seller (Patents). Buyer shall indemnify, defend, and hold Seller and its agents harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, arising out of any claim of infringement of a patent, copyright, trademark, trade name, or other proprietary right, or claim of unfair trade or of unfair competition in connection with the manufacture, sale, or use of the goods sold to Buyer, except to the extent that any claim, liability, or expense arises solely from specifications developed by Seller.

8. Cure. If a shipment of goods is rejected by Buyer, Seller shall have the right to cure in any reasonable manner the error, defect, shortage or other nonconformity giving rise to the rejection.

9. Tools and Equipment. All tools, jigs, dies, fixtures, patterns and equipment furnished to Seller by Buyer to perform the contract, or for which Seller has been fully reimbursed by Buyer, shall remain the property of Buyer ("Buyer's Tools and Equipment"). Seller may charge a storage fee for Buyer's Tools and Equipment left at Seller's place of business for more than 90 days after Seller has completed the manufacturing and delivery of goods and/or services. All shipping charges for Buyer's Tools and Equipment shall be Buyer's responsibility. Risk of loss during shipment of

Buyer's Tools and Equipment shall be on Buyer. All other tools, jigs, dies, fixtures, patterns and equipment used in connection with the goods shall belong to Seller.

Seller and Buyer agree that Seller shall have a security interest in Buyer's Tools and Equipment as security for payment of any sums owing from Buyer to Seller at any time for any reason. Seller shall have the right to retain possession of all those items until full payment for the goods has been made, without affecting any other rights or remedies available to Seller.

10. Force Majeure. Any delay or failure of either party to perform its obligations will be excused if and to the extent that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, such as: acts of God; restrictions, prohibitions, priorities, or allocations imposed or actions taken by a governmental authority; embargoes; fires; explosions; natural disasters; riots; wars; sabotage; inability to obtain power; or court injunction or order. As soon as possible (but no more than one full business day) after the occurrence, Seller will provide written notice describing such delay and assuring Buyer of the anticipated duration of the delay and the time that the delay will be cured. During the delay or failure to perform by Seller, Buyer, at its option: (a) may purchase supplies from other sources and reduce its schedules to Seller by such quantities, without liability to Seller; (b) may ask Seller to deliver to Buyer, at Buyer's expense, all finished goods, work in process, and parts and materials produced or acquired for work under the Order; or (c) have Seller provide supplies from other sources in quantities and at a time requested by Buyer and at the price set forth in the Order. In addition, Seller, at its expense, will take all necessary actions to ensure the supply of supplies to Buyer for a period of at least thirty (30) days during any anticipated labor disruption or resulting from the expiration of Seller's labor contracts.

11. Cancellation or Change. Except as otherwise agreed by Seller in writing, a sale of goods or services under this document is not subject to cancellation or change. The following terms shall apply to any cancellation approved by Seller in writing except as otherwise agreed in writing:

a) Any items completed at the time Seller receives a written cancellation notice from Buyer will be shipped and invoiced at the contract price.

b) Work on the balance of the order will be stopped as promptly as reasonably possible and Seller shall be reimbursed for all actual expenditures, commitments, liabilities and costs, determined in accordance with generally accepted accounting practice, made or incurred with respect to those items not completed, plus a profit of 10 percent on those expenses, less any net recovery to Seller on disposition of returned goods to others within a period of 45 days after the cancellation. In addition, Seller has the right to recover from Buyer all damages for cancellation, including but not limited to incidental, consequential and indirect damages and lost profits.

12. Waiver. No right or remedy of Seller shall be deemed to have been waived or renounced, in whole or in part, unless that waiver or renunciation is supported by consideration and is in writing signed by Seller.

13. Confidentiality of Seller's Information. Any information disclosed by Seller to Buyer is confidential, and Buyer agrees not to use or disclose any of that information without Seller's prior written consent except as may be required by law.

14. Buyer's Default. Buyer is in default if any of the following occurs:

- a) Buyer breaches, repudiates, or threatens to breach any term in the contract evidenced by this Order or in any other agreement between Buyer and Seller, including but not limited to a failure to pay all sums when due;
- b) Insolvency of Buyer or filing a voluntary or involuntary petition in bankruptcy with respect to Buyer;
- c) Appointment of a receiver or trustee for Buyer;
- d) Buyer's credit becomes impaired; or
- e) Execution of an assignment for the benefit of creditors of Buyer.

15. Seller's Remedies. In the event of Buyer's default, Seller may exercise any remedies available under applicable law, including but not limited to:

- a) Seller may require payment in advance;
- b) Seller may suspend performance or cancel all or any part of the balance of any contract with the Buyer; and
- c) Buyer shall reimburse Seller for all damages suffered due to Buyer's breach, including but not limited to incidental, consequential, and other damages, as well as lost profits, reasonable attorney fees, and court costs.

The remedies in this document shall be cumulative and in addition to any other remedies allowed to Seller under applicable law. No waiver by Seller of any breach or remedy shall be a waiver of any other breach or remedy.

16. General.

- a) Assignment. Buyer shall not assign its rights or delegate its duties under this document without Seller's prior written consent. Seller may assign to any third party its rights and obligations with respect to Buyer.

b) Entire Agreement and Amendment. This document contains all of the terms of the agreement between Seller and Buyer with regard to its subject matter and supercedes all prior oral or written representations, agreements, and other communications between Seller and Buyer. The contract evidenced by this document may be amended only by a writing signed by Buyer and an officer of Seller.

c) Severability. All terms shall be enforced only to the maximum extent permitted by law. If any term is invalid or unenforceable, all other terms shall remain in effect.

d) State Law. The sale of goods and services in accordance with this document shall be governed in all respects by the laws of the State of Michigan.

e) Jurisdiction and Venue. Seller and Buyer agree that any action arising out of the sale of goods or services in accordance with this document will be brought, heard and decided in Mecklenburg County, North Carolina. Buyer submits to personal jurisdiction in North Carolina.