



Purchase Order - Terms and Conditions

This order is subject to the following terms and conditions in addition to those stated on the face of the order as being applicable to the goods and/or services procured.

1. STI Polymer, Inc. ("Buyer") will not be responsible for goods delivered or services rendered except pursuant to a purchase order signed by Buyer's authorized representative (a "Purchase Order").
2. (a) Notwithstanding any terms and conditions in Seller's acknowledgement or any other communications heretofore had between Buyer and Seller, these Terms and Conditions and the Purchase Order issued to Seller (collectively, the "Agreement") contain the entire agreement between Buyer and Seller. Except as otherwise set forth herein, this Agreement may not be modified or rescinded except by a writing signed by both parties.
(b) Seller's signature on a copy of the Purchase Order or Seller's performance of any part of the Purchase Order, either allocating the goods for shipment or allocating goods and/or labor to work ordered hereunder, constitutes Seller's acceptance of the Purchase Order. Acceptance of the Purchase Order by Seller is expressly limited to the terms and conditions of the Agreement.
3. By accepting the Purchase Order, Seller represents and agrees that:
 - (a) Buyer shall receive the benefit of any reductions of Seller's prices between the date of the Purchase Order and the date of Buyer's acceptance of full performance for any item ordered in the Purchase Order.
 - (b) Buyer shall be liable solely for the prices and charges set forth on the Purchase Order. Changes to the prices and other charges shall not be payable by Buyer unless such changes and/or charges are accepted by Buyer in writing. This includes, but is not limited to, charges for packing, drawing or containers. Except as otherwise set forth on the Purchase Order, Seller is solely responsible for all shipping and packing charges.
 - (c) Buyer shall pay all Seller invoices 2% ten days, net thirty days, following receipt of goods or completion of performance of services unless otherwise specified on the face of the Purchase Order. Errors or omissions on invoices, or delay in their receipt, will entitle Buyer to withhold settlement without loss of the cash discount.
 - (d) Upon reasonable notification to Seller, Buyer may withhold and deduct from any part of the payment due Seller under a Purchase Order all or any part of the damages incurred by Buyer, including consequential damages, resulting from any breach of the terms and conditions contained in the Agreement. Buyer, in its sole discretion, may offset any amounts owed to Buyer from Seller, against any amounts owed by Buyer to Seller under the Purchase Order.
 - (e) Notwithstanding anything else contained in the Agreement, Buyer shall be entitled to cancel any undelivered portion of a Purchase Order by giving written notice to Seller prior to the date of shipment of the goods specified in the Purchase Order.
4. Seller shall mail the invoice for the Purchase Order with the original Bill of Lading properly signed by carrier's representative not later than the day following shipment of the goods. Where only services are performed pursuant to the Purchase Order, the invoice for such services shall be mailed by Seller not later than the day following completion of the services performed. Separate invoices shall be rendered for each separate shipment of goods applying against the Purchase Order.
5. An itemized packing slip must be enclosed with each shipment. Failure to provide packing slips may result in delay in processing Seller's invoices. Buyer's count of products shall be accepted as conclusive on all shipments not accompanied by a packing slip.
6. Adherence to the date of delivery or for completion of the work shown on the face of the Purchase Order or as otherwise agreed upon in writing by Buyer and Seller is of primary importance. Time of delivery is of the essence of this Agreement. However, if Seller is delayed in manufacture, shipment or delivery of goods due to fire, flood, windstorm or other act of God; or war or civil disturbance, then the date of delivery shall be extended for such reasonable time as Buyer may agree to in writing; provided that no such extension shall be granted unless Seller gives written notice of delay to

Buyer within three (3) days after Seller first has knowledge of the event causing such delay. Seller agrees that Buyer has the right to cancel the Purchase Order in whole or in part, without liability, if shipment of goods procured is not completed within the time specified on the Purchase Order. With respect to services, Buyer shall have the right to terminate this Agreement whenever and for whatever reason it chooses. Such termination shall be effective immediately upon delivery of a written termination notice to Seller or at the time specified in such termination notice. In the event of such termination, Buyer shall pay Seller for services provided to Buyer up to the date of termination, which are reasonably satisfactory to Buyer.

7. Seller warrants that the goods and/or services ordered under the Purchase Order will be in conformance with the applicable specifications, drawings, samples or other description furnished to or adopted by Buyer and will be free from any defects in material design or workmanship and will be merchantable and fit the purposes for which they are intended. The warranties given in this Agreement shall not be deemed to be exclusive or waived or terminated by inspection, approval and/or acceptance of the goods and services that are subject of this Purchase Order or payment thereof, in whole or in part. All warranties given herein by Seller shall also run to Buyer's successors, assigns, customers and users of Buyer's products, and shall survive for a period of two (2) years from the date of delivery of the applicable goods to Buyer.

8. Payment for goods and/or services covered by this Purchase Order will be made only after arrival of goods at Buyer's plant or other facility or completion of services to be performed, which are designated on the Purchase Order and subject to Buyer's inspection and rejection. Neither risk of loss nor title shall pass from Seller to Buyer until inspection and acceptance is made by Buyer as provided for above. In the event of any rejection of or justified refusal of delivery of goods, Buyer may return them to Seller without awaiting Seller's instructions at Seller's expense, including all transportation charges that may have been paid by Buyer. Seller will not ship replacements for rejected or refused goods unless Buyer issues a new Purchase Order for replacement thereof. Goods and workmanship that are nonconforming or defective will be rejected and returned as provided for above, unless acceptance of such goods is otherwise authorized in writing by Buyer.

9. Upon any breach by Seller of this Agreement, Buyer shall have available all remedies to which it is entitled by law without limitation. In case of Seller's failure to deliver on time for any reason, or Buyer's justified refusal of delivery or revocation of acceptance, Buyer, at its option, may make any reasonable purchase of or contract to purchase, goods or services in substitution for those due from Seller, and Seller will remain liable for the difference between the cost of the substituted goods or services and the price under the Purchase Order, together with any consequential or incidental damages suffered by Buyer less any expenses saved in consequence of Seller's breach.

10. If this Agreement covers special patterns, designs, specifications or blueprints, dies, molds, tools or other equipment purchased, supplied or manufactured by Buyer for the manufacture of any part or material for Buyer, said patterns, designs, specifications or blueprints, dies, molds, tools or other equipment shall be and remain Buyer's property and may be removed from Seller's premises by Buyer at any time; and said patterns, designs, specifications or blueprints, dies, molds, tools or other equipment will not be used by Seller for any other account except upon written authorization from Buyer. Such patterns, designs, specifications or blueprints, dies, molds, tools or other equipment shall be kept in good condition by Seller. All such plans, patterns, drawings and blueprints relating thereto shall be and are the property of Buyer and shall be delivered by Seller at the completion of Seller's performance. Buyer may utilize said plans, patterns, drawings and blueprints as it wishes without any further obligation to Seller.

11. Seller agrees to indemnify and save harmless Buyer, and its affiliates and subsidiaries, from all claims, liabilities and expenses (including attorneys' fees) arising out of or related to: (i) any infringement or alleged infringement of the rights of third parties, including without limitation, patents, copyrights and trademarks, covering any article or articles covered by this Purchase Order; (ii) the negligence or misconduct of Seller; and (iii) any breach of this Agreement by Seller, and to defend at Seller's expense any and all suits or actions based on such claims. When the goods or services covered under this Purchase Order are produced or preformed in accordance with specifications, designs or processes furnished by Buyer, Seller shall be relieved from the foregoing indemnification obligation to the extent that such claims result from the specifications, designs or processes furnished by Buyer.

12. If this Purchase Order covers services for Buyer, Seller agrees to indemnify and protect Buyer against all liabilities, claims or demands for injuries or damages to any person or property arising out of the performance of the services, and further, to furnish insurance coverage (including, but not limited to worker's compensation and public liability) as to type and amount, reasonably requested by Buyer with Buyer named as an insured party. As evidence of such coverage, Seller will furnish certificates of insurance to Buyer's Finance/Purchasing at 5618 Clyde Rhyne Drive, Sanford, NC 27330 or such other address as Buyer shall designate.

13. Seller represents that it has complied with and will comply with all applicable laws, rules, and regulations ordinances of the United States, and any state, territory or political subdivision thereof, which directly or indirectly regulate or affect

the manufacture and/or sale of the goods or services specified in the Purchase Order, and Seller agrees to indemnify and save harmless Buyer from and against liability, expenses (including attorneys' fees) or other loss resulting from Seller's failure to comply.

14. Seller warrants that it has good title to the goods delivered pursuant to this Purchase Order and the right to transfer same free from any security interest, lien or encumbrances. If liens for labor or materials are outstanding, Buyer at its option, may discharge such liens by making payment, directly to the lien holders, in which case the amount due in final payment to Seller will be reduced accordingly.

15. Seller shall not delegate any of its obligations hereunder or assign or transfer any right or interest of Seller in this Agreement unless consented to in writing by an authorized representative of Buyer. Any attempted delegation, assignment or transfer shall be wholly void and totally ineffective except as provided above.

16. This Agreement and its performance shall be governed by the laws of the State of North Carolina relating to contracts made and performed in that state, without reference to laws other states, and any claim hereunder shall be adjudicated only in a Federal or State court situated in North Carolina, to which each party hereto consents to jurisdiction and venue.

17. Seller agrees to notify Buyer in writing of any changes to a product that is being provided to Buyer, or the specification against which the product is being produced. Any notification that could affect the form, fit or function of the product or service being provided to Buyer needs to be brought to the attention of Buyer with adequate advance notice that such change can be evaluated and approved prior to shipment of the product or provision of the service. Approval will not be unreasonably withheld and must be authorized by Buyer in writing prior to implementation.

18. Unless otherwise specified herein, any notice required or permitted to be given under this Agreement shall be deemed delivered only upon actual receipt thereof by the party to whom addressed at the address set forth on the Purchase Order or as changed by written notice to the other party.

19. Each and every provision of this Agreement is completely severable, and the invalidity of any one or more of such provisions shall not in any way affect the validity of this Agreement or of any of the other provisions thereof.