
ALLIED PHOTOCHEMICAL, INC.
STANDARD TERMS AND CONDITIONS OF SALE

1. GENERAL

These Standard Terms and Conditions of Sale (the "Terms and Conditions") shall apply to all quotations and offers made, and purchase orders accepted, by Allied PhotoChemical, Inc., a Michigan Corporation ("ALLIED"), whether such Terms and Conditions are printed on the back of the quotation, offer or accepted purchase order, are physically attached to the quotation, offer or accepted purchase order, are transmitted electronically to the Buyer, or are made available on Allied's website. THESE TERMS AND CONDITIONS MAY, IN SOME INSTANCES, CONFLICT WITH THE TERMS AND CONDITIONS AFFIXED TO PURCHASE ORDERS OR OTHER PROCUREMENT DOCUMENTS ISSUED BY BUYER. IN SUCH CASE, THESE TERMS AND CONDITIONS SHALL PREVAIL. ALLIED's acceptance of any purchase order of BUYER is strictly conditioned upon BUYER's acceptance of these Terms and Conditions without modification. BUYER shall be conclusively deemed to have accepted these Terms and Conditions upon any of the following by BUYER, its agents or representatives: (i) written or electronic acknowledgement or acceptance hereof, (ii) transmission to, its agents or representatives of any order for PRODUCTS or Services, (individually a "PRODUCT" and, collectively, the "PRODUCTS"), or (iii) acceptance of or payment for any Product covered hereby. ALLIED's failure to object to any provision contained in any communication from BUYER shall not be deemed a waiver of any provision hereof. Any changes in these Terms and Conditions, or in any document or agreement referred to herein, must be specifically agreed to in a writing signed by a corporate officer of ALLIED, before being binding on ALLIED. No order will be binding upon ALLIED unless and until accepted in writing on its behalf by an authorized officer of ALLIED at its corporate office in Macomb, Michigan, USA. ALLIED may accept or reject any order in ALLIED's sole discretion.

2. PRICING

Unless otherwise provided elsewhere in a writing signed by a corporate officer of ALLIED, prices are stated in U.S. dollars. Prices quoted are subject to modification or withdrawal without notice, unless otherwise stated in a written quotation provided by ALLIED. All invoices and charges for PRODUCTS and services will be at the price indicated in ALLIED's written order acknowledgement, or other mutually agreeable form of order acceptance issued by ALLIED. In the event that the acceptance price differs from the price originally quoted to BUYER, BUYER may cancel such order without liability so long as it gives written notice thereof to ALLIED within five (5) days following the date of ALLIED's order acceptance notice. Unless otherwise specified or required by law, all prices are exclusive of any sales, use, revenue or excise tax, import duty (including brokerage fees) or other tax (excepting only taxes based on ALLIED'S income), fees or other charges of any nature imposed by any public authority (national, state, local or other) applicable to the PRODUCTS described in the contract of sale. Such taxes, when applicable, shall be added to the purchase price and be paid by BUYER, unless BUYER delivers to ALLIED with the purchase order a proper tax exemption certificate acceptable to ALLIED and the applicable taxing authority.

3. TERMS OF PAYMENT

The terms of payment are net thirty (30) days from the invoice date, subject to the approval of ALLIED's credit department at the time of shipment. ALLIED reserves the right to require payment in advance, C.O.D. or guarantee by letter of credit, and otherwise modify credit terms in its discretion based upon the financial condition of BUYER.

4. RISK OF LOSS, TITLE AND DELIVERY

Unless otherwise agreed to by ALLIED in an advance writing, all sales are made FOB ALLIED's shipping facility in Macomb, Michigan, USA or other shipping point designated by ALLIED. Risk of loss or damage to the Products shall pass to BUYER, and ALLIED's liability shall cease, when ALLIED places the PRODUCTS covered hereby at the disposal of BUYER (or BUYER's selected carrier as BUYER's agent) at ALLIED's facility in Macomb, Michigan, U.S.A., or other shipping point designated by ALLIED. All claims for loss or damages must be filed with the carrier. In the absence of timely and specific shipping instructions from BUYER, or the failure of BUYER's selected carrier to accept PRODUCTS on the acknowledged shipment date, ALLIED may select another carrier and service level similar to that of BUYER's selected carrier (if any), so as to complete the order as originally acknowledged by ALLIED. In such cases, BUYER will promptly accept any and all ordered PRODUCTS as if placed at the disposal of BUYER or its selected carrier at ALLIED's facility. Claims against ALLIED for shortages must be made within ten (10) days after arrival of shipment. ALLIED assumes no responsibility for delay, breakage or damage after having placed PRODUCTS in good order at the disposal of BUYER or its carrier at ALLIED's facility. Title to all Products shall remain in ALLIED until all terms of payment have been satisfied.

5. ACCEPTANCE BY BUYER

BUYER shall accept or reject PRODUCTS within thirty (30) days following receipt of each shipment. In the event that BUYER fails to notify ALLIED in writing of rejection and the specific grounds therefore within such time period, BUYER shall be conclusively deemed to have accepted such PRODUCTS without qualification.

6. LIMITED WARRANTY

Except as specified below, PRODUCTS sold hereunder shall be free from defects in materials and workmanship and shall conform to ALLIED's published specifications or other specifications accepted in writing by ALLIED for a period of one (1) year from the date of shipment of the PRODUCTS. The foregoing limited warranty does not apply to any PRODUCTS that have been subject to misuse, neglect, accident or modification or which have been altered such that they are not capable of being tested under normal test conditions. ALLIED shall make the final determination as to whether its PRODUCTS are defective. ALLIED's sole obligation for PRODUCTS failing to comply with this warranty shall be, at its option, to either replace or issue credit for the nonconforming PRODUCT where, within fourteen (14) days of the expiration of the warranty period; (i) ALLIED has received written notice of any nonconformity, (ii) after ALLIED's written authorization, BUYER has returned the nonconforming PRODUCTS to ALLIED; and (iii) ALLIED has determined that the Product is nonconforming and that such nonconformity is not the result of improper installation, repair or other misuse. THE FOREGOING LIMITED WARRANTY AND REMEDIES ARE EXCLUSIVE AND ARE MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, STATUTORY OR BY OPERATION OF LAW OR OTHERWISE, INCLUDING (WITHOUT LIMITATION) WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE OR PURPOSE, ALL OF WHICH ARE SPECIFICALLY DISCLAIMED BY ALLIED. ALLIED NEITHER ASSUMES, NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT, ANY OTHER LIABILITY IN CONNECTION WITH THE SALE, INSTALLATION, APPLICATION OR USE OF ITS PRODUCTS, AND ALLIED MAKES NO WARRANTY WHATSOEVER FOR PRODUCTS NOT MANUFACTURED BY ALLIED NOR FOR ANY ALLIED TECHNOLOGY PRODUCT PURCHASED OR ACQUIRED FROM ANY DISTRIBUTOR, BROKER OR OTHER SOURCE WHICH HAS NOT BEEN AUTHORIZED BY ALLIED TO SELL OR DISTRIBUTE ITS PRODUCTS,

7. LIMITATION OF LIABILITY

ALLIED SHALL NOT BE LIABLE FOR DAMAGES DUE TO DELAYS IN DELIVERY OR USE. IN NO EVENT SHALL ALLIED BE LIABLE FOR SPECIAL, CONSEQUENTIAL OR INCIDENTAL COSTS OR DAMAGES OF ANY KIND, HOWEVER CAUSED, WHETHER ARISING FROM CONTRACT, TORT, NEGLIGENCE OR OTHERWISE, INCLUDING (WITHOUT LIMITATION) DAMAGES TO PERSONS OR PROPERTY, LOSS OF PROFITS, GOODWILL, OVERHEAD COSTS OR PROCUREMENT OF SUBSTITUTE GOODS, OR ANY OTHER LIKE DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, ALLIED'S AGGREGATE LIABILITY TO BUYER AND THIRD PARTIES SHALL NOT EXCEED THE PURCHASE PRICE PAID BY BUYER FOR THE PRODUCTS HEREUNDER.

8. ALLIED NOT LIABLE FOR COATING APPLICATION AND EQUIPMENT AND ALLIED NOT LIABLE FOR ULTRAVIOLET LIGHT CURING EQUIPMENT AND PROCEDURES FOR ALLIED'S PRODUCTS.

BUYER ACKNOWLEDGES THAT IT HAS MADE ITS OWN ARRANGEMENTS WITH THIRD PARTIES FOR THE EQUIPMENT AND PROCESSES TO APPLY ALLIED'S PRODUCT(S) TO BUYER SUBSTRATES (the "APPLICATION") AND FOR THE EQUIPMENT AND PROCESSES TO CURE BY UV / ULTRAVIOLET ENERGY ALLIED'S PRODUCTS (the "CURE") AND BUYER AGREES THAT ALLIED IS NOT LIABLE FOR DAMAGE CLAIMS ARISING OUT OF THE APPLICATION AND/OR CURE OF ALLIED'S PRODUCTS, AND BUYER WILL DEFEND, INDEMNIFY AND HOLD ALLIED HARMLESS FROM ALL SUCH DAMAGES AND CLAIMS.

9. PATENT INFRINGEMENT

ALLIED shall defend any valid suit, proceeding, or claim of infringement asserted against BUYER alleging that any Product supplied by ALLIED to BUYER infringes any United States patent. BUYER must promptly inform ALLIED of any such claim, and provide ALLIED with each communication, notice or other action relating to the alleged infringement and give full authority, information, and assistance (at ALLIED's expense) necessary to defend or settle such suit or proceeding. ALLIED shall have the absolute right to control the defense and settlement of any infringement suit or proceeding for which BUYER seeks indemnification under this paragraph.

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If any PRODUCT purchased by BUYER shall be held to infringe any United States patent and BUYER is judicially ordered not to purchase or use such PRODUCTS, ALLIED will at its sole option and at its expense (1) procure for BUYER the right to purchase and use such PRODUCTS free of any liability for patent infringement or (2) modify such PRODUCTS to become non-infringing or (3) replace such PRODUCTS with non-infringing PRODUCTS or (4) cancel such PRODUCTS on backlog with ALLIED or (5) refund the purchase price of such PRODUCTS after successfully completing ALLIED's standard Return Authorization ("RMA") Form. ALLIED's sole obligation will be the options specified in this section. If ALLIED, after reasonable attempts, determines that it is impractical or uneconomical to secure the right to continued use of the infringing product, ALLIED will be relieved of all obligations and liabilities to secure its continued use. If the infringement by BUYER is alleged prior to ALLIED's completion of delivery of the PRODUCTS, ALLIED may decline to make further shipments without being in breach of this Agreement.

ALLIED shall not be obligated to defend or be liable for costs and damages if the infringement arises out of (1) PRODUCTS that are manufactured by ALLIED in accordance with BUYER's specifications, or (2) BUYER's use or application of PRODUCTS in combination with other components not supplied by ALLIED, or (3) the PRODUCTS being modified by BUYER or (4) from use of the PRODUCTS, or any part thereof, in the practice of a process. ALLIED's obligations hereunder shall not apply to any infringement occurring after BUYER has received notice of such suit or proceeding alleging the infringement unless ALLIED has given written permission for such use by BUYER. Sales of PRODUCTS, or any part thereof, hereunder confers upon BUYER no license under, or grant of any right to acquire, any patent or any other intellectual property rights owned or controlled by ALLIED whatsoever. Unless expressly provided otherwise in writing, ALLIED shall retain exclusive title to and possession of any tools, formula(s) trade secrets, mask works, dies, fabrication processes, test methods and fixtures invented, made for, used or obtained by ALLIED in connection with any purchase order.

10. CONTINGENCIES; DELAY; FORCE MAJEURE

All shipment dates and quantities are approximate. ALLIED will use commercially reasonable efforts to fill all orders according to the agreed upon schedule and quantity. ALLIED reserves the right to make PRODUCTS available in installments and the contract of sale shall be severable as to each such installment. Delay in delivery or other default of any installment of any one or more PRODUCTS shall not relieve BUYER of its obligation to accept and pay for remaining deliveries.

ALLIED shall not be responsible for any failure to perform its obligations hereunder due to any cause or combination of causes beyond ALLIED's reasonable control, including, but not limited to: (a) acts of God; (b) flood, fire, earthquake, epidemic, pandemic, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or action; (e) embargoes or blockades in effect on or after the date of this agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns or other industrial disturbances; (h) telecommunication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; and (i) other similar events beyond the reasonable control of ALLIED. In the event of any delay caused by any such contingency, the date of shipment shall, at the discretion of ALLIED, be deferred on a day-by-day basis until such event has terminated. In the event ALLIED's production is curtailed for any of the foregoing reasons so that ALLIED cannot make available the full amount released hereunder, ALLIED may allocate production deliveries to the various customers then under contract for similar goods. The allocation will be made in a commercially fair and reasonable manner. When allocation has been made, ALLIED will notify BUYER of the estimated quantity to be made available to BUYER and the approximate time when this quantity will be made available.

11. CANCELLATION OR RESCHEDULING BY BUYER FOR CONVENIENCE

BUYER may cancel or reschedule any order for convenience under the following terms and conditions: (a) for standard PRODUCTS, the minimum advance written notice to ALLIED for any cancellation or rescheduling is thirty (30) calendar days prior to the current acknowledged shipment, and such notice will be effective only upon the specific written approval of ALLIED's customer service department and may be subject to special charges; (b) for standard PRODUCTS with additional special handling, marking or other processing, ALLIED shall state the minimum advance written notice period for cancellation or rescheduling with its price quote to BUYER for such PRODUCTS, or at any other time prior to ALLIED's acceptance of an Order for such PRODUCTS, which period in no event shall be less than thirty (30) calendar days prior to the current acknowledged shipment date; and (c) for non-standard, custom or special PRODUCTS, BUYER shall accept delivery of, and promptly make full payment to ALLIED for all such PRODUCTS for which ALLIED has outstanding purchase orders from BUYER at the time of cancellation. No purchase order accepted or acknowledged by ALLIED shall be subject to partial payment or setoff by BUYER. No cancellation or rescheduling of any non-standard, custom or special Product is allowed without the advance written consent of ALLIED specifically as to each such Product, and cancellation charges shall apply. Standard PRODUCTS also may be subject to cancellation charges (as per non-standard, custom and special PRODUCTS), as determined by ALLIED in its sole discretion. In such events, BUYER shall promptly pay a cancellation fee to ALLIED, which fee may include, but is not limited to: (i) costs of settling and paying claims arising out of the termination of work of ALLIED's subcontractors and/or vendors; and (ii) other reasonable costs of ALLIED, including (without limitation) manufacturing, engineering, development, accounting, legal and clerical costs.

12. CANCELLATION BY ALLIED FOR INSOLVENCY

ALLIED reserves the right to cancel any unfilled order immediately and without notice to BUYER in the event that BUYER becomes insolvent, is adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statutes, or in the judgment of ALLIED is unable to timely meet its financial obligations in the normal course of business.

13. SUBSTITUTIONS AND MODIFICATIONS

ALLIED reserves the right to modify the specifications of any component or Product offered by ALLIED, provided that, in ALLIED's opinion, the modification will not materially affect the form, fit or performance of such component or Product.

14. CONTROLLING LAW; VENUE & JURISDICTION; ATTORNEYS' FEES

These Terms and Conditions shall be governed by and construed under the laws of the State of Michigan, U.S.A., without regard to the principles of conflicts of law. Any and all disputes arising hereunder or with respect hereto shall be subject to the exclusive jurisdiction and venue of the state and federal courts in Macomb County, Michigan, U.S.A., and BUYER consents to the personal and exclusive jurisdiction and venue of these courts. The prevailing party in any legal action brought by one party against the other shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses incurred thereby, including court costs and reasonable attorneys' fees.

15. GENERAL

- a. BUYER agrees to comply with all applicable laws and regulations. BUYER understands that ALLIED is subject to regulation by agencies of the U.S. government, including the U.S. Department of Commerce, which prohibit export or diversion of ALLIED's PRODUCTS or technical information to certain countries, and agrees it will not knowingly assist or participate in any such diversion or other violation of applicable U.S. laws and regulations. BUYER warrants that it shall not sell any Product covered hereby in any country, or to any user, not then approved to receive such product under applicable U.S. laws and regulations, that BUYER has knowledge of such laws and regulations, and that it will abide by such laws and regulations. BUYER shall hold harmless and indemnify ALLIED for any damages resulting to ALLIED from a breach of this subparagraph by BUYER.
- b. Each shipment made hereunder shall be considered a separate transaction. In the event of any default by BUYER, ALLIED may decline to make further shipments. If ALLIED elects to continue making shipments, such action shall not constitute a waiver of any default by BUYER or in any way affect ALLIED's legal remedies for such default.
- c. Any change, waiver or deviation made by ALLIED in the course of doing business with BUYER shall not exclude or diminish, in any way, the effectiveness of any other portion of these Terms and Conditions, nor shall it determine or limit the effectiveness of any agreement between the parties for any other transaction at any time.
- d. The language used herein shall be deemed to be the language chosen by the parties hereto to express their mutual intent and shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument or any portion thereof to be drafted, or in favor of the party receiving a particular benefit under the agreement. No rule of strict construction will be applied against any person.
- e. If any term or provision hereof is determined to be illegal, unenforceable or invalid, in whole or in part, for any reason, such illegal, unenforceable or invalid provisions or part thereof shall be stricken, and such provision shall not affect the legality, enforceability or validity of the remainder. If any provision or part hereof is stricken in accordance

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with this subparagraph, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable and valid provision that is as similar in tenor to the stricken provision as is legally possible.

- f. These Terms and Conditions, and the documents and agreements referred to herein, set forth the entire agreement between the parties with regard to the subject matter hereof and thereof, and supersede all previous agreements between or among the parties. There are no agreements, representations or warranties between or among the parties other than those set forth herein, or the documents and agreements referred to herein. No waiver of any provision or consent to any action by ALLIED shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent by ALLIED shall constitute a continuing waiver or consent or commit ALLIED to provide a waiver in the future, except to the extent specifically set forth in writing. Any waiver given ALLIED shall be null and void if BUYER has not provided a full and complete disclosure of all material facts relevant to the waiver requested.