

FTL SEALS TECHNOLOGY LTD
Standard Terms and Conditions of Sale

The following Standard Terms and Conditions ("Agreement") apply to the procurement by Buyer of all makes and models of equipment, parts and components for such equipment ("Equipment") and additional repair services, refurbishment or warranty or other services provided at no cost ("Services") described in an invoice, lease, proposal, quote, purchase order acknowledgment, sales acknowledgement or other instrument to which this Agreement is attached or to which reference is made or to any purchase order, transactional document or any other communication between the parties regardless of whether this Agreement is referenced therein. Equipment and Services shall be collectively referred to as "Products". Seller objects to and shall not be bound by any additional or different terms, whether printed or otherwise, in any purchase order or other communication from Buyer to Seller, unless specifically agreed to in a single writing signed by the Parties hereto. This Agreement constitutes the entire, integrated agreement between the Parties related to the subject matter of this Agreement and any and all discussions, understandings, agreements, representations, courses of dealings, customs, and usages of trade heretofore made or engaged in by the Parties with respect to the subject matter hereof are merged into this Agreement, which alone fully and completely expresses the Parties' agreement. Seller will not be liable to Buyer, for representations and warranties made by Seller's distributors and sales agents which are inconsistent or in conflict with this Agreement.

1. **Definitions.** "Seller" means FTL Seals Technology Limited. "Buyer" or "Buyers" means, as applicable, the purchaser or lessee of Products.
2. **Terms of Sale.**
 - a. The Equipment shall transfer by Seller to the shipping carrier per the Incoterms set forth in the applicable quotation ("Quote"), at which point title and all risk of loss or damage to Equipment will pass to Buyer.
 - b. Buyer shall conduct an inspection of the Products promptly upon delivery and shall promptly notify Seller in writing of any defects. If Buyer fails to promptly notify Seller of any defects, whether or not any such inspection and acceptance has been performed by Buyer, the Products shall be considered accepted. Buyer's sole and exclusive remedy for rejection of Equipment is as set forth in Section 3 (Product Warranty).
3. **Product Warranty.** All technical support installation, product warranty, and post warranty services are provided only at the original installed location. Product warranty is NONTRANSFERABLE from one location to another, except with the prior written consent of Seller.
 - a. Seller warrants that for a period of one (1) year following shipment the Equipment will: (i) be free from defects in materials and workmanship; and (ii) conform to the specifications agreed to by the Parties in writing. Seller warrants that Services will be performed in a workmanlike manner and such warranty shall be limited to a period of one (1) year from date of service (other than warranty services and services performed gratis). Buyer's sole and exclusive remedy for any breach of warranty related to Equipment will be limited to, at Seller's option, replacement, repair or refund of the purchase price of the Equipment that does not conform with the warranties, provided that Buyer notifies Seller of such defect in writing within ten (10) days after Buyer knows or has reason to know thereof, and provided further that inspection of the Equipment by Seller discloses that the defect developed under normal and proper use of the Equipment.

This warranty will not apply to Equipment that: (i) is damaged due to misuse, abuse, negligence or accident occurring during or after shipment; (ii) is changed or modified (unless the change or modification is made by or in accordance with written instructions of Seller); (iii) deteriorates due to erosion, abrasions or chemical action; (iv) fails due to improper installation (except for installation provided or supervised by Seller), operation or maintenance; (v) fails due to any non-Seller equipment, or system with which Equipment is used; or (vi) Buyer operates in any manner other than in accordance with Seller's manual, guidelines, operating instructions or other material.
 - b. Equipment will not be returned to Seller without Seller's written permission. Provision of a replacement part or component will not operate to extend the warranty period for any Equipment. Seller reserves the right to inspect Equipment that is subject to warranty claims and to require the return of such Equipment that is subject to warranty claims to Seller's Warehouse at Buyer's expense; provided, however, that it is determined that the issue with returned Equipment is covered by warranty, Seller will reimburse Buyer for freight charges associated with the return of such Equipment to Seller's Warehouse. Seller also reserves the right to use reconditioned parts and components for warranty replacements.
 - c. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF, AND SELLER DISCLAIMS AND BUYER WAIVES, ALL OTHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND OF ANY OTHER TYPE, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW (STATUTORY OR OTHERWISE) AND WHETHER OR NOT OCCASIONED BY SELLER'S NEGLIGENCE.
4. **Limitation of Liability.** SELLER WILL NOT BE LIABLE TO BUYER, FOR SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, DOWNTIME, LOSS OF BUSINESS AND FROM ANY CLAIM, ACTION OR CAUSE WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE MANUFACTURE, SALE, HANDLING, REPAIR, REPLACEMENT OR USE OF PRODUCTS. IN NO EVENT WILL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT OR TORT OR ANY OTHER THEORY OF LIABILITY, EXCEED THE PURCHASE PRICE OF THE PRODUCTS GIVING RISE TO THE CLAIM, EVEN IF SELLER IS ADVISED OR PLACED ON NOTICE OF THE POSSIBILITY OF SUCH PENALTIES OR DAMAGES AND NOTWITHSTANDING THE FAILURE OF AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

In no event shall Seller be liable for late delivery or other penalties.
5. **Intellectual Property Rights.** All drawings, designs, know-how, inventions, devices, works of authorship, technology, Seller's Confidential Information, improvements thereto, and all associated patent, patent applications, copyright, including applications and registrations, trade secret, or other similar proprietary or intellectual property rights (collectively, "Seller IP") in or related to the conception, creation, development, reduction to practice, design, production, delivery, operation, use, application or performance of Goods or Services, are and will remain the sole and exclusive property of Seller. In no event may Buyer make or apply for a patent, copyright, or other claim to the ownership or license of Seller's Goods or Services and/or Seller IP. Nothing in this Paragraph 5 precludes Buyer from incorporating a description or reference to Seller's Goods and/or non-confidential aspects of Seller's technology or processes where necessary to support a patent, copyright, or other claim to Buyer's product, provided, however, that no use of Seller's name, trademarks or logos may be made without Seller's prior written consent. Nothing in this Agreement will be construed as granting to Buyer any license, ownership, or grant of intellectual property rights with regards to the Goods or Services or Seller IP. To the extent Buyer creates, conceives, develops, or reduces to practice any improvements in relation to Seller IP, Buyer hereby irrevocably assigns all right, title, and interest in and to such improvements and related intellectual property rights to Seller. Seller's sale of Goods to or performance of Services for Buyer does not include any research, development, design, or other services associated with Seller's IP. Buyer shall not, and Buyer shall take reasonable measures to ensure that its customers do not, attempt to duplicate or reverse-engineer the Goods or in any other manner attempt to misuse or misappropriate any Seller IP.
6. **Seller Indemnity.** Seller shall defend, indemnify and hold harmless Buyer against third party claims for personal injury or tangible property damage to the extent caused by a defect in any Equipment. Seller's obligations to Buyer hereunder shall be subject to and conditioned upon Buyer giving Seller written notice of such claim (including all known material facts related thereto) within ten (10) days after it is asserted against Buyer (provided that the failure to give Seller written notice of a claim as provided herein shall relieve Seller from its obligations hereunder only if and to the extent Seller is prejudiced thereby) and Buyer granting Seller exclusive direction and control of the investigation, defense and settlement of such claim, including, but not limited to, selection of legal counsel to represent Buyer at Seller's expense.

7. **Equipment Changes.** Seller reserves the right, in its sole discretion and without prior notice, to make changes to Equipment at any time that do not materially affect form, fit or function.
8. **Buyer Requested Change, Delay or Cancellation; Liquidated Damages.**
 - a. If Buyer requests a change to Equipment, Seller may impose additional equitable charges.
 - b. No delivery reschedules or delays will be permitted without the written consent of the Supplier.
 - c. No cancellation of Equipment is permitted without the written consent of the Supplier.
 - d. If shipment of the Equipment is delayed or rescheduled for greater than ten (10) days after the confirmed ship date due to Buyer's fault, then upon the expiration of such ten (10) day period, Buyer shall pay to Seller, a storage and handling fee equal to one tenth of one percent (0.10%) per day of the purchase order value for each day the shipment is delayed, with a maximum storage and handling fee of ten percent (10.0%) of the purchase order value. The parties agree that such amounts are a reasonable pre-estimate of the damages Seller will suffer as a result of delay based on circumstances existing at the time the purchase order was issued and are to be assessed as liquidated damages and not as a penalty.
 - e. If pursuant to the terms of the purchase order, Buyer has elected to use a freight forwarder and/or carrier selected by Buyer, and shipment of the Equipment does not take place on or prior to the confirmed ship date as a result of Buyer's failure to arrange for Buyer's freight forwarder and/or carrier to take delivery of the Equipment on the confirmed ship date, then, upon five (5) business days' notice to Buyer (which may be by email), (i) Seller shall be entitled to ship the Equipment to Buyer using a freight forwarder selected by Seller CPT Leeds ON freight prepaid and billed" and invoice Buyer for such charges; and (ii) Buyer shall pay to Seller such invoiced charges net thirty (30) days after date of invoice. If Seller exercises its rights under this paragraph, title and risk of loss shall pass to Buyer in accordance with the Incoterm as specified in the Quote.
9. **Confidential Information.** For purposes of this Agreement, "Confidential Information" shall include all information furnished under this Agreement which is designated as confidential or proprietary, or which the receiving party knows or should know is being disclosed on a confidential basis, including without limitation pricing information, proposals, prints, drawings and all information in or related to the design, development, production, delivery, operation, use, application or performance of any of a party's technology, equipment, parts, or maintenance/services. Confidential Information does not include information which: (a) is known or independently developed by the receiving party prior to its disclosure by the other party, as evidenced by receiving party's records; (b) becomes a part of the public domain without breach of this Agreement by the receiving party; (c) is received from a third party without restriction and under conditions permitting its disclosure to others; or (d) which is disclosed pursuant to judicial action or government regulations provided the receiving party notifies the disclosing party prior to such disclosure, and cooperates with the disclosing party in the event it elects to legally contest and avoid such disclosure.

For a period of five (5) years from the date of receipt, Confidential Information shall be maintained in confidence by the receiving party, shall not be disclosed to any third party, other than Seller's suppliers who have a reason to know, without prior written approval of the disclosing party, and shall be protected with the same degree of care as the receiving party normally uses in the protection of its own confidential and proprietary information, but in no case with any less degree than reasonable care. Notwithstanding the foregoing, the Parties' obligation to protect trade secrets is perpetual or for so long as such information remains a trade secret under applicable law, whichever occurs first.
10. **Force Majeure.** Seller is not liable for any failure to perform its obligations under this Agreement resulting directly or indirectly from or contributed to by, acts of God, acts of civil or military authorities, riots or civil disobedience, terrorism, wars, strikes or labor disputes, accidents, floods, fires, or inability to secure material or transportation facilities, dissolution of a supplier's business, acts or omissions of carriers, or any other circumstance beyond Seller's reasonable control; provided, however, that, Buyer agrees to take delivery and make payment for finished Equipment or component as of the date of the Force Majeure event.
11. **Waiver.** No failure or delay by either party to insist upon strict performance of any rights or powers under this Agreement shall operate as a waiver thereof, nor shall any other single or partial exercise of such right or power preclude any other further exercise of any rights or remedies provided by law, unless agreed to by that party in writing. Any waiver of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.
12. **Assignment.** This Agreement may not be transferred or assigned by Buyer without the prior written consent of Seller. Seller may assign its rights and obligations under this Agreement in whole or in part to an affiliate company or third party acquirer in the event of a merger, acquisition or sale of all or substantially all its assets.
13. **Specific Performance.** Buyer agrees that monetary damages may not be sufficient to remedy a breach hereunder and that Seller shall be entitled to seek specific performance and injunctive or other equitable relief.
14. **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision shall be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this contract shall remain in effect.
15. **Export/Import.** Buyer shall be solely responsible for obtaining all approvals, authorizations, licenses and permits, unless otherwise specified under the applicable Incoterms agreed to by the parties. Buyer shall comply with all laws, rules and regulations, and making all arrangements related to the export or import of Equipment supplied by Seller. Equipment and related technical information, data, documents and materials are subject to export controls under UK government export regulations and other applicable laws. Buyer shall strictly comply with all such export controls, shall fully cooperate with Seller in any official or unofficial investigation, audit or inspection that relates to any of such controls, and shall not export, re-export, divert or transfer, directly or indirectly, any Equipment or related technical information, data, documents or materials to any party or destination or for any use that is subject to an embargo or otherwise prohibited pursuant to such controls, unless and until Buyer obtains all required governmental and regulatory approvals, authorizations, licenses and permits.
16. **Governing Law.** Any contract to which these Conditions apply shall be construed and take effect in all respects in accordance with English law and the Customer agrees to submit to the jurisdiction of the English Courts.
17. **Payment.** Quoted prices exclude taxes, freight and insurance and any duties and brokerage charges, all of which shall be the sole liability and responsibility of Buyer. If Buyer claims an exemption from any tax, a valid and proper tax exemption certificate must accompany order. Unless otherwise set forth in Seller's invoice, proposal, lease, or purchase order acknowledgment, all payments shall be made in the currency specified in the Quote. Any deposit or graduated payment schedule shall be set forth in the Quote and invoiced accordingly. If not addressed in the Quote, Equipment will be invoiced upon shipment and Services upon completion or thirty (30) days from shipment of Equipment, whichever occurs first. Payment is due Net30 or as otherwise specified in the Quote.

All amounts not paid and received in full by the due date are subject to a finance charge at the rate of one and one half percent (1.5%) per month (eighteen percent (18%) per annum) or, if less, at the maximum rate permitted by law, from the date due until paid in full. Prices set forth in a Quote are subject to being adjusted due to extraordinary market conditions. As used herein, "extraordinary market conditions" means any increase in the cost of materials caused by changes in the market or for any other reason that is outside of Seller's control such as tariffs, surcharges, and fluctuations in currency and raw materials, which results in an overall price increase of the Equipment in excess of two percent (2%) above the price listed in the Quote. Each shipment is a separate sale and is subject to credit arrangements or to receipt of cash. If payment is not made in accordance with Seller's payment terms, or if at any time, in Seller's sole judgment, Buyer's credit standing has been impaired, Seller may withhold shipment of any Equipment or the provision of any Services, until cash or credit arrangements have been established to Seller's sole satisfaction.