

SONION TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS

- 1.1 In these Terms and Conditions ("Terms") the following words shall have the following meanings:
- | | |
|--------------------------|--|
| "the Company" | Sonion A/S or any affiliated company; including Sonion Nederland B.V., Sonion Polska Sp. z.o.o., Sonion Vietnam Co. Ltd and Sonion Philippines Inc.; |
| "the Contract" | the Purchase Order and the Seller's acceptance of the Purchase Order; |
| "Goods" | any goods or services agreed in the Contract to be purchased by the Company from the Seller (including any part or parts of them); |
| "Purchase Order" or "PO" | the Company's written instruction to supply the Goods, incorporating these Terms; |
| "Seller" | the person, firm or company who accepts the Company's Purchase Order. |

2. APPLICATION OF THE TERMS

- 2.1 These Terms are the only terms upon which the Company is prepared to deal with the Seller and they shall govern the Contract to the entire exclusion of all other terms or conditions.
- 2.2 Each Purchase Order for Goods issued by the Company to the Seller shall be deemed to be an offer by the Company to purchase Goods subject to these Terms, and no Purchase Order shall be accepted until the Seller either expressly by giving notice of acceptance, or impliedly by fulfilling the Purchase Order, in whole or in part accepts the offer.
- 2.3 No terms or conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or acceptance of the PO, specification or similar document will form part of the Contract and the Seller waives any right which it otherwise might have to rely on such terms and conditions.
- 2.4 These Terms apply to all the Company's purchases and any variation to these Terms shall have no effect unless expressly agreed in writing and signed by the Company.

3. QUALITY AND WARRANTIES

- 3.1 The Goods shall conform with the sample and/or description and/or specifications given by the Company. The services to be rendered shall comply with the scope of work, standards and all specifications and requirements agreed by the Seller and the Company.
- 3.2 In addition to the warranties required under existing law, the following are the warranties of the Seller with respect to the quality or fitness of the Goods:
- 3.2.1 the Seller shall ensure that all the Goods shall be brand new and shall be manufactured, stored, tested and packed in accordance with commercially acceptable standards and the laws and regulations applicable to them;
 - 3.2.2 the Seller warrant that the Goods be of the best available design, of the best quality, material and workmanship, be without fault and conform in all respects with the Purchase Order and specification and/or patterns supplied or advised by the Company to the Seller.
 - 3.2.3 the Seller warrants that all the Goods are of good and merchantable quality and fit for purpose or for the purposes for which the Company intends to use such Goods; and
 - 3.2.4 the Seller warrants that the Goods shall at the time of delivery correspond to the description given by the Seller.
- 3.3 The warranty period shall be twelve (12) months or as stipulated in the approved quotation, whichever has a longer period, starting from delivery, and where an acceptance is agreed upon,

starting from acceptance of the Goods by the Company. The foregoing period, however, shall only commence upon complete and defect-free delivery of Goods. Notifications of defects can be submitted at any point within the said period whereas a first-time notification of defects suspends the running of the warranty period until all notifications of defects are settled.

- 3.4 At any time prior to delivery of the Goods to the Company the Company shall have the right to inspect and test the Goods at all times.
- 3.5 If the results of such inspection or testing cause the Company to be of the opinion that the Goods do not conform or are unlikely to conform with the Purchase Order or to any specifications and/or patterns supplied or advised by the Company to the Seller, the Company shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition the Company shall have the right to require and witness further testing and inspection.
- 3.6 Notwithstanding any such inspection or testing, the Seller shall remain fully responsible for the Goods and any such inspection or testing shall not diminish or otherwise affect the Seller's obligations under the Contract.
- 3.7 If any of the Goods fail to comply with the provisions set out in this Clause 3 the Company shall be entitled to avail itself of any one or more remedies listed in Clause 12.
- 3.8 All warranties provided by the Seller in connection with the Goods, which arise out of this Contract or by operation of law, shall extend for the useful life of such Goods.

4. INDEMNITY

- 4.1 The Seller shall keep the Company indemnified in full against all direct, indirect or consequential liability, loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by the Company as a result of or in connection with:
 - 4.1.1 defective workmanship, quality or materials;
 - 4.1.2 an infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods;
 - 4.1.3 any claim made against the Company in respect of any liability, loss, damage, injury, cost or expense sustained by the Company's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods.

5. DELIVERY

- 5.1 The Goods shall be delivered DDP (Incoterms 2010) to the Company's place of business or to such other place of delivery as is agreed by the Company in writing prior to delivery of the Goods unless otherwise agreed or stated in the PO. The Seller shall off-load the Goods as directed by the Company.
- 5.2 The date for delivery shall be specified in the Purchase Order.
- 5.3 The Seller shall invoice the Company upon, but separately from, despatch of the Goods to the Company.
- 5.4 The Seller shall ensure that each delivery is accompanied by a delivery note which shows, inter alia, the PO number, date of the PO, number of packages and contents and, in the case of part delivery, the outstanding balance remaining to be delivered.
- 5.5 Time for delivery shall be of the essence.
- 5.6 Unless otherwise stipulated by the Company in the Purchase Order, deliveries shall only be accepted by the Company in normal business hours.
- 5.7 If the Goods are not delivered on the due date then, without prejudice to any other rights which it may have, the Company reserves the right to:

- 5.7.1 cancel the Contract in whole or in part;
 - 5.7.2 refuse to accept any subsequent delivery of the Goods which the Seller attempts to make;
 - 5.7.3 recover from the Seller any expenditure reasonably incurred by the Company in obtaining the Goods in substitution from another supplier; and
 - 5.7.4 claim damages for any additional costs, loss or expenses incurred by the Company which are in any way attributable to the Seller's failure to deliver the Goods on the due date.
- 5.8 the Seller requires the Company to return any packaging material to the Seller that fact must be clearly stated on any delivery note delivered to the Company and any such packaging material will only be returned to the Seller at the cost of the Seller.
- 5.9 Where the Company agrees in writing to accept delivery by instalments the Contract will be construed as a single contract in respect of each instalment. Nevertheless failure by the Seller to deliver any one instalment shall entitle the Company at its option to treat the whole Contract as repudiated.
- 5.10 If the Goods are delivered to the Company in excess of the quantities ordered the Company shall not be bound to pay for the excess and any excess will be and will remain at the Seller's risk and will be returnable at the Seller's expense.
- 6. RISK/PROPERTY**
- 6.1 The Goods shall remain at the risk of the Seller until delivery to the Company is complete (including off-loading and stacking) when ownership of the Goods shall pass to the Company.
- 7. PRICE**
- 7.1 The price of the Goods shall be stated in the Purchase Order and unless otherwise agreed in writing by the Company shall be exclusive of value added tax but inclusive of all other charges.
- 7.2 No variation in the price nor extra charges will be accepted by the Company.
- 8. PAYMENT**
- 8.1 The Company shall pay the price of the Goods within current month + 60 days of delivery of the Goods to the Company, or other mutual agreed payment terms.
- 8.2 Without prejudice to any other right or remedy, the Company reserves the right to set off any amount owing at any time from the Seller to the Company against any amount payable by the Company to the Seller under the Contract.
- 9. CONFIDENTIALITY**
- 9.1 The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by the Company or its agents and any other confidential information concerning the Company's business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the Seller's obligations to the Company and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Seller.
- 10. THE COMPANY'S PROPERTY**
- 10.1 Materials, equipment, tools, dies, moulds, copyright, patent or design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by the Company to the Seller or not so supplied but used by the Seller specifically in the manufacture of the Goods shall at all times be and remain the exclusive property of the Company but shall be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller until returned to the Company and shall not be disposed of other than in accordance with the Company's written instructions, nor shall such items be used otherwise than as authorised by the Company in writing.

11. TERMINATION

- 11.1 The Company shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Seller written notice whereupon all work on the Contract shall be discontinued and the Company shall pay to the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.
- 11.2 The Company shall have the right at any time by giving notice in writing to the Seller to terminate the Contract immediately if:
- 11.2.1 the Seller commits a breach of any of the terms and conditions of the Contract;
 - 11.2.2 any distress, execution or other process is levied upon any of the assets of the Seller;
 - 11.2.3 the Seller enters into any compromise or arrangement with its creditors, commits any act of bankruptcy or if an order is made or an effective resolution is passed for its winding up (except for the purposes of amalgamation or reconstruction as a solvent company) or if a petition is presented to court, or if a receiver and/or manager, receiver, administrative receiver or administrator is appointed in respect of the whole or any part of the Seller's undertaking or assets;
 - 11.2.4 the Seller ceases or threatens to cease to carry on its business; or
 - 11.2.5 the financial position of the Seller deteriorates to such an extent that in the opinion of the Company the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.
- 11.3 The termination of the Contract, however arising, will be without prejudice to the rights and duties of the Company accrued prior to termination. The Clauses which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.

12. REMEDIES

- 12.1 Without prejudice to any other right or remedy which the Company may have, if any Goods are not supplied in accordance with, or the Seller fails to comply with, any of the terms of this Contract the Company shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by the Company:
- 12.1.1 to cancel the Purchase Order;
 - 12.1.2 to reject the Goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid by the Seller;
 - 12.1.3 at the Company's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;
 - 12.1.4 to refuse to accept any further deliveries of the Goods but without any liability to the Seller;
 - 12.1.5 to carry out at the Seller's expense any work necessary to make the Goods comply with the Contract; and
 - 12.1.6 to claim such damages as may have been sustained in consequence of the Seller's breaches of the Contract.

13. ASSIGNMENT

- 13.1 The Seller shall not be entitled to assign the Contract or any part of it without the prior written consent of the Company.
- 13.2 The Company may assign the Contract or any part of it to any person, firm or company.

14. FORCE MAJEURE

- 14.1 The Company reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of the Company including, without limitation, governmental actions, war or national emergency, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

15. EXPORT CONTROL

15.1 The Parties agree to comply with any national and international legislation prohibiting or limiting the export or import of products.

15.2 The Seller shall, supported by the Company, ensure that all Goods to be supplied pursuant to the Contract shall be classified pursuant to applicable export regulations and that the Company at any time is informed of such classifications and the implications thereof.

16. GENERAL

16.1 Each right or remedy of the Company under the Contract is without prejudice to any other right or remedy of the Company whether under the Contract or not.

16.2 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.

16.3 Failure or delay by the Company in enforcing or partially enforcing any provision of the Contract will not be construed as a waiver of any of its rights under the Contract.

16.4 Any waiver by the Company of any breach of, or any default under, any provision of the Contract by the Seller will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Contract.

16.5 All notices given under these Terms or a Contract shall be in writing.

17. APPLICABLE LAW AND JURISDICTION

17.1 The Contract shall be governed by and construed in accordance with Danish law (the United Nation's Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded) and without regard to its conflict of laws rules or principles. All disputes arising in connection with the Contract shall be settled by arbitration administered by the Danish Institute of Arbitration in accordance with the Rules of Arbitration Procedure adopted by the Danish Institute of Arbitration and in force at the time when such proceedings are commenced. The place of arbitration shall be Copenhagen. The language of the arbitration shall be English. Any decision of the tribunal established pursuant to the rules for the Danish Institute of Arbitration is final and binding for the Parties.

17.2 Nothing in this Clause shall prevent any party from having recourse to a court of competent jurisdiction for the sole purpose of seeking a preliminary injunction or such other provisional judicial relief without provision of security.