

JOWAT CORPORATION General Terms and Conditions

Except as otherwise expressly agreed in writing and signed by an authorized officer of JOWAT Corporation ("Seller"), these terms and conditions shall solely govern all quotations covering purchase orders for and sales of products manufactured by Seller or Seller's parent, affiliates and subsidiaries (the "Products") as well as service relating to such Products if applicable, and any provision of the Buyer's order in addition to or inconsistent herewith shall be deemed waived by Buyer. Any acceptance by Buyer of Seller's offer to provide Products is limited solely to the terms and conditions contained herein. All orders are subject to acceptance and approval by Seller. If in any way Seller's actions, conduct or silence would otherwise constitute an acceptance of Buyer's order or purchase agreement, any such acceptance is hereby limited to the terms and conditions herein, and is made conditional on Buyer's assent to these additional or different terms and waiver of Buyer's own additional or different terms.

Prices:

1. Prices quoted are F.O.B. Seller's warehouse unless otherwise stated.
2. Prices quoted are for prompt acceptance and subject to change without notice at any time prior to receipt and acceptance of Buyer's order by Seller unless escalation terms are included heretofore in the quotation. Published prices of the Products are subject to change without notice and will be applied as in effect at the time of shipment.
3. Prices exclude Federal, State or local taxes, use, excise, transportation, occupational or similar taxes. Buyer agrees to pay any such taxes applicable to the sale or use of the Products or, in lieu thereof. Buyer shall provide Seller with a tax exemption certificate acceptable to the relevant taxing authorities. The Buyer shall promptly reimburse the Seller for any such tax advanced or paid by the Seller with respect to such Products.
4. Prices are subject to change if Buyer requests change or deviations from the specifications quoted after acceptance of Buyer's order.

Terms of Payment:

1. The purchase price of the Products shall be payable, without deduction of any kind, within such period of time and according to such terms as provided in the invoice.
2. If payments are made late, Seller shall impose a monthly service charge which will not exceed one and one half percent (1-1/2%) of the total amount due. Acceptance of such service charge by Seller shall not constitute a waiver of any rights which Seller has because of non-payment by Buyer.
3. Buyer hereby agrees to pay all costs of collection, including reasonable attorney's fees, cost and expenses, and the costs if any, of financial or credit checks or investigations on accounts sixty (60) or more days past due.

Title and Risk of Loss:

1. Delivery of the Products to a carrier by Seller, consigned to Buyer, or as Buyer may direct, shall constitute transfer of title, ownership, possession and risk of loss or damage to the Products at the point of delivery, and such carrier shall thereafter be deemed to be acting for Buyer. Seller assumes no obligation whatsoever with respect to damage in transit.
2. Seller uses great care in packing the Products and will not be responsible for damage or loss in transit. All claims for damage or loss after delivery of the Products to the carrier must be made by Buyer to the carrier, but Seller will provide all reasonable assistance in securing a satisfactory adjustment of such claims.

Insurance:

After receipt of the Products, Buyer will maintain, as long as any part of the purchase price of the Products remains unpaid or until all servicing of the Products is completed, sufficient insurance in Seller's favor to provide full coverage of damage or loss by fire, theft, negligence of Buyer's employees or other causes. The insurance will also cover tools, testing equipment and other property brought onto Buyer's premises temporarily by Seller's field or service personnel.

Delivery and Shipping Schedule:

1. Delivery of the Products shall be as specified in Seller's acceptance of Buyer's order.
2. Seller shall not be liable for unavoidable delays in delivery or service caused indirectly or directly or in any manner by fires, flood, accidents, riots, Acts of God, war, governmental interference, embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials or supplies, transportation delays or any other cause or causes (whether or not similar in nature to any of those specified herein) either beyond its control or which it cannot remedy without great economic hardship.
3. In no event shall the contract of sale be subject to cancellation by Buyer as a result of delays in delivery or servicing or for any other cause, except by mutual written agreement (see termination and cancellation provisions below).
4. No penalty for late performance may be assessed against Seller unless agreed upon in writing when Buyer's order is placed.

5. Seller shall not be liable for any special or consequential damages as a result of delay in shipment for servicing.
6. Unless otherwise agreed upon in writing, Seller reserves the right to make partial shipments and to submit invoices for such partial shipment in accordance with Seller's standard terms.

Warranty:

1. Seller warrants that the Products are free from defects in material and workmanship. Any warranty described herein shall extend to the first ultimate user for a period of twelve months for hot melts, six months for white glues or other Jowat Products from the date of shipment when properly stored according to the technical data sheet.
2. Seller's obligation under this warranty shall be limited to replacing or crediting Buyer with the invoice value of any defective Products.
3. Seller shall in no event be liable for any claim for incidental or consequential damages.
4. No warranty is made as to Products which have not been installed, used or maintained in accordance with Seller's instructions, or which have been subject to misuse, abuse, accident or alteration or to improper or negligent use, maintenance, storage, transportation or handling.
5. Unless otherwise agreed in writing by Jowat, no warranty is made regarding the fitness of Products for any particular Buyer application or use.
6. THE WARRANTY CONTAINED HEREIN IS EXCLUSIVE AND EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, WRITTEN, ORAL, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO EXPRESSED OR IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS. IN ADDITION, SELLER SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, IN CONNECTION WITH OR RESULTING FROM THE PURCHASE, USE OR SALE OF THE PRODUCTS.

Assignment:

Buyer shall not assign his order or any interest therein or any rights thereunder without the prior written consent of Seller.

Cancellation:

1. Seller shall have the right to cancel an order if at any time Buyer does not strictly comply with all the terms and conditions contained herein or if Buyer's credit standing is any time disapproved by Seller by giving written notice of this decision to Buyer. The notice shall be effective when mailed.
2. Contracts shall not otherwise be subject to cancellation without Seller's written consent.
3. In the event that cancellation of an unfinished contract is accepted in writing by Seller, Buyer agrees to pay without delay the full contract price for all delivered Products, cancellation charges for any unfinished portion of the contract (taking into account actual expenditures by Seller, including, but not limited to, overhead charges) and reasonable profit on the unfinished portion of the contract.

General:

1. In the event of breach or repudiation by Seller, Buyer shall not be entitled to incidental or consequential damages for loss of use.
2. The transaction between Buyer and Seller shall be governed by the laws of the State of North Carolina.
3. No agent, salesman, or distributor has any authority to obligate Seller by any terms, stipulations or conditions not herein expressed.
4. Neither the warranty nor any other provision stated herein entitles Buyer or any third party to damages, direct or consequential for personal injury arising from the installation, operation, servicing or use of the Products and Buyer agrees to assist the Seller and to hold the Seller harmless in effectuation of this provision.
5. Buyer should advise Seller immediately of anything herein which Buyer does not assent to as a term or condition governing transactions between Buyer and Seller.