

AESSEAL Inc. - Terms and Conditions of Purchase

1. TERMS

This Purchase Order constitutes the exclusive statement of AESSEAL's (Herewith AESSEAL defined as AESSEAL, INC., AESSEAL MIDWEST INC. and all divisions that encompass these entities) offer to Seller to purchase the goods and supersedes any previous written or oral communications or understandings between the parties. Acceptance of this offer by seller is strictly conditioned on acceptance of these terms and conditions. Any additional or different terms or conditions stated by Seller in acknowledging receipt of this order or in any other writing are hereby objected to and shall be void unless expressly agreed to in writing by AESSEAL.

2. DELIVERY AND INSPECTION

Time and date of deliveries are of the essence on this order. AESSEAL reserves the right to make final inspection of the goods after receipt by AESSEAL (notwithstanding any prior payment or prior acceptance thereof) and, in addition to any other right and remedies available under law, to cancel the order and reject the goods upon any default by Seller in meeting or satisfying delivery dates, scheduled amounts, specifications or quality. Seller shall be liable to AESSEAL for any and all losses sustained as a result of Seller's failure to perform. Seller shall not be allowed additional time outside of the time stated for delivery in this Purchase Order without the express written consent of AESSEAL. All goods shall be shipped F.O.B. destination (unless otherwise noted). Risk of loss shall pass to AESSEAL upon delivery of the goods to AESSEAL in an undamaged condition. Seller shall bear all risks and expenses for returns including, but not limited to, storage, freight, insurance, packaging, materials and labor as to rejected goods or goods requiring correction after notice of rejection.

3. PACKING AND SHIPMENT

Each container shall be marked to show AESSEAL's order number, and a packing sheet showing order number must be included in each package. Where prepaid transportation charges are authorized by AESSEAL, these charges have to be shown separately on Seller's invoices and should be accompanied by the original freight bill or a copy of a bill of lading. In the case where collect charges are authorized and seller does not ship against AESSEAL's specified account, AESSEAL will not pay for prepaid shipping charges.

4. PAYMENT

Unless otherwise agreed to in writing by AESSEAL, payment shall be made to Seller thirty (30) days after receipt of invoice and goods by AESSEAL; provided, however, that payment shall not constitute acceptance of the goods or impair AESSEAL's right of inspection.

5. PRICES

Seller's prices for the goods ordered shall not be higher than those stated hereon. Any price increase must be communicated to AESSEAL in writing prior to the shipment of goods. In the event that this order does not state price, AESSEAL will not be bound to any price to which it has not expressly agreed in writing. Seller warrants that the prices charged AESSEAL are no higher than prices charged on orders placed by other for similar quantities under similar conditions. In the event that Seller breaches this warranty, the prices of the goods shall be reduced accordingly, retroactively to the date of the breach.

6. TITLE TO GOODS

Title to all goods purchased hereunder shall pass directly to AESSEAL from the Seller at the point of delivery specified hereon.

7. TAXES

All applicable Federal, State and local taxes shall be stated separately on Seller's invoice.

8. WARRANTY

Seller warrants that for a period of no less than one (1) year after acceptance by AESSEAL of the goods covered by this Purchase Order, the goods shall be (i) in full conformity with all specifications, drawings, and/or other descriptions or samples, (ii) merchantable, (iii) fit for their intended purposes, (iv) free from defects in design, materials and workmanship, and (v) do not infringe any patents, trademarks or copyrights. Such warranties shall be in addition to any other warranties given by Seller, shall survive inspection, acceptance and payment therefore and shall extend to AESSEAL, its successors, assigns and customers. AESSEAL may, at its option, either return for full credit or require prompt correction or replacement of defective or nonconforming goods or parts thereof, which rights shall be in addition to such other rights as AESSEAL may have under applicable law. Any goods so replaced or repaired shall be subject to the same obligations for further defects liability period of 1 year from the re-delivery after repair or replacement. If the seller shall fail to repair or replace such defective goods AESSEAL shall have the right to have the work of repair or replacement undertaken by others and to charge the costs of so doing to the Seller. In the event AESSEAL brings suit against Seller to enforce performance of any provision of this Agreement or should AESSEAL be forced to defend a lawsuit brought against it by Seller, then Seller shall be liable for all of AESSEAL's costs and expenses, including but not limited to attorneys fees.

9. INDEMNIFICATION

Seller shall indemnify and hold harmless AESSEAL, its subsidiaries and affiliates, and their respective officers, directors, employees, agents and customers, from all other claims, demands, liabilities, costs and expenses (including attorney's fees) arising from any actual or alleged (i) defect in the goods provided by Seller hereunder, (ii) failure of the goods to comply with all specifications or with the express or implied warranties of Seller, (iii) any asbestos claims arising from seller's product, (iv) violation of the goods or in their manufacture or sale of any statute, ordinance, rule or regulation, (v) bodily injury or death, direct or indirect damage to property or any loss of use of any tangible or intangible property (including loss of business profits), or (vi) infringement of any patents, trademarks or copyrights. The indemnification and hold harmless obligations of this paragraph shall survive delivery of the goods supplied under this Purchase Order.

10. TRADEMARKS

All trademarks of AESSEAL that AESSEAL requests Seller to affix to the goods purchased hereunder are owned by AESSEAL and Seller shall not acquire or claim any right, title or interest therein or use any such trademarks of AESSEAL for any other purpose.

11. CONFIDENTIALITY -- DESIGNS, TOOLS, ETC. FURNISHED BY AESSEAL

Any drawings, data, tools, designs, equipments, software programs or other property supplied by AESSEAL to Seller in connection with this order shall remain AESSEAL's property and such information shall be kept confidential. Such property shall be used exclusively in connection with the goods ordered hereunder, maintained in first class condition and returned by Seller to AESSEAL at the termination of this contract, or earlier should AESSEAL so request. Further, any data, software or other technical information (including any data or information included in any drawings, specifications or other materials provided by AESSEAL to Seller hereunder) are proprietary to AESSEAL, shall be held in strictest confidence by Seller, shall not be reproduced or disclosed to others without AESSEAL's prior written knowledge and shall be used by Seller solely in connection with the fulfillment of this order.

12. INSURANCE

Seller agrees to obtain and maintain comprehensive general liability insurance including blanket contractual coverage and insuring any indemnification obligations of Seller required by the terms hereof, as well as workman's compensation insurance including employer's liability covering its employees, automobile liability and umbrella liability. All required policies shall maintain a limit of liability of at least \$1,000,000 per occurrence except for workers' compensation which shall be sufficient to meet any statutory requirement(s). In addition, if this Purchase Order requires work and/or entry on any premises or facilities of AESSEAL, or involves the use or operation of property furnished by AESSEAL, then Seller shall also obtain and maintain property damage insurance in an amount sufficient to cover any loss. Upon the request of AESSEAL, Seller shall provide evidence of the required insurance coverage in form acceptable to AESSEAL. Such evidence shall be in the form of a standard Certificate of Insurance or an actual copy of the policy of insurance if requested by AESSEAL. All insurance shall be primary and non-contributory

13. TERMINATION

AESSEAL may terminate this Purchase Order in whole or in part at any time upon AESSEAL's written notice to Seller (i) for any reason at AESSEAL's convenience, (ii) for any default by Seller hereunder (including but not limited to Seller's failure to deliver goods within the time specified by AESSEAL), (iii) in the event Seller becomes the subject of any proceeding under state or federal law for the relief of debtors or otherwise becomes insolvent or bankrupt or makes an assignment for the benefit of creditors. In the event of termination, AESSEAL may further notify Seller that all right, title and interest in and to all or any portion of material acquired by Seller for the performance of this Purchase Order, work in process and/or completed items specified in such notice shall pass immediately to AESSEAL. AESSEAL shall have no liability to Seller for goods (whether finished or unfinished) that are readily usable, reusable or saleable. In addition, upon termination under (ii) or (iii) above, AESSEAL may purchase similar goods elsewhere or secure the manufacture and delivery of the goods by contract or otherwise, and Seller shall be liable to AESSEAL for any excess cost incurred by AESSEAL.

14. PUBLICITY

Seller shall not make any news release or public announcement regarding this Purchase Order without the prior written consent of AESSEAL.

15. CHANGE ORDERS

AESSEAL shall have the right at any time, by written change order, to make changes in any one or more of the following: (i) quantity of goods to be delivered; (ii) method of shipping or packing; (iii) drawings, designs or specifications; (iv) place of delivery; and (v) delivery schedules. If any such change order causes an increase or decrease in the cost of or the time required for the performance of the work under this order, an equitable adjustment shall be made in price and/or delivery schedule, and this order shall be modified accordingly.

16. WAIVER

Failure or delay on the part of AESSEAL to exercise any right, power or privilege hereunder shall not operate as a waiver thereof.

17. GOVERNING LAW

The rights and obligations of the parties hereunder shall be governed by the law of the state wherein the office issuing this Purchase Order is located.

18. AESSEAL FACILITIES

When on AESSEAL's premises, or AESSEAL's customer's premises, Seller shall comply with AESSEAL's policies as stated in AESSEAL's most current edition of "AESSEAL, INC. HEALTH & SAFETY MANUAL", which will be provided to Seller upon request.