

TERMS AND CONDITIONS OF SALE TIPPER TIE, INC.

1. **Quote Validity:** All quotations provided by Tipper Tie, Inc. ("Supplier") are subject to these Terms and Conditions of Sale (this "Agreement") and any purchase order or similar form attached hereto or presented by the Buyer is affirmatively rejected. By submitting an order to Supplier, Buyer agrees to be subject to this Agreement in its entirety. All quotations terminate if not accepted by Buyer within 60 days.

2. **Prices and Taxes:** Prices do not include federal, state or local taxes, including sales, use or excise taxes.

3. **Shipment and Delivery:** Unless otherwise provided in this Agreement, all products are shipped EXW Supplier's facility, Apex, NC, Incoterms® 2010. Title and risk of loss or damage to the products ordered hereunder (the "Goods") pass from Supplier to Buyer upon delivery to the first carrier. Buyer grants to Supplier a security interest in the Goods sold to Buyer as security for the due and punctual performance of its payment obligations hereunder, and Buyer agrees to execute such documents to evidence and perfect this security interest.

4. **Terms of Payment:** Buyer will be invoiced upon shipment. Payment shall be made by Buyer net 30 days from the date of invoice unless otherwise agreed, without any deduction, set-off, withholding or similar offsets. Supplier may determine in its reasonable discretion that Buyer's financial condition is such that payment in advance is warranted and, if payment in advance is not received, may cancel this Agreement and any open orders under this Agreement without penalty. If Buyer fails to make any payment due hereunder when due, Supplier may recover interest thereon at the rate of 1.5% per month until paid, or the maximum lawful monthly interest rate, whichever is less. If Supplier files suit to recover late payments, Buyer agrees to reimburse for Supplier's attorneys' fees and costs.

5. Warranties:

5.1. Supplier warrants that the Goods will conform to the description and specifications set forth herein and will be free from defects in material and workmanship, and Supplier warrants that any services will be performed in a good and workmanlike manner. For Goods that are Clip, Loop and Wire products, this warranty shall survive for a period of 60 days from the date of shipment. For Goods that are Parts, Clippers, and Machines, this warranty shall survive for period of 6 months from the date of shipment. The duration of the warranty for the applicable Good is the "Warranty Period". If Buyer provides written notice to Supplier during the Warranty Period of a claimed defect and returns the applicable Good to the original shipping point, transportation prepaid, Supplier will, at its option, repair or replace such Good, shipment to Buyer prepaid. The repair or replacement of Goods shall occur within a commercially reasonable period following receipt of a claim and return of the Good. Any repair or replacement of Goods shall not extend the period of warranty, and all items, components, or parts replaced under this warranty shall become the property of Supplier.

5.2. The foregoing warranties and warranty remedies are void and do not apply if repairs not conducted by Supplier affect the Goods' operation or safety or where modifications or alterations are carried out by the Buyer or by third parties without the prior written consent of Supplier. The warranty does not cover damages caused by insufficient, incorrect or forceful operation of the Goods, by failure to observe the operating instructions, by overloading, by the use of materials, consumables or accessories not manufactured by Supplier or specifically approved in writing by Supplier for use with the Good, by chemical or electrolytic action, or by the use of spare parts from an outside source. Supplier makes no warranties for damages resulting from normal or excessive wear of component parts including, without limitation, punches, dies, knife blades, skin brakes, Teflon coated parts, or conveyor belts and other parts which by their nature as a result of normal equipment operation wear out and must be replaced. Supplier makes no warranties as to any equipment or accessories not manufactured by Supplier, and Buyer shall be limited only to the warranties, if any, provided by the manufacturer of such equipment or accessories.

5.3. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. SUPPLIER'S SOLE AND EXCLUSIVE LIABILITY, AND BUYER'S SOLE AND EXCLUSIVE REMEDY, FOR ANY NONCONFORMITY OR DEFECT IN THE GOODS, IN TORT (INCLUDING NEGLIGENCE), CONTRACT, OR OTHERWISE, SHALL BE AS SET FORTH IN THIS SECTION 5. THIS EXCLUSIVE REMEDY SHALL NOT HAVE FAILED OF ITS ESSENTIAL PURPOSE (AS THAT TERM IS USED IN THE UNIFORM COMMERCIAL CODE) PROVIDED THAT SUPPLIER REMAINS WILLING TO REPAIR OR REPLACE DEFECTIVE GOODS WITHIN A COMMERCIALY REASONABLE TIME AFTER RECEIVING SUCH GOODS. BUYER ACKNOWLEDGES THAT SUPPLIER'S PRICE FOR THE GOODS IS BASED UPON THE LIMITATIONS OF SUPPLIER'S LIABILITY AS SET FORTH IN THIS AGREEMENT.

6. **Patent Infringement:** Supplier will defend any suit or proceeding brought against Buyer to the extent it is based on a claim that a Good infringes a United States patent, and will indemnify Buyer against all costs, damages and expenses finally awarded against Buyer provided that Buyer notifies Supplier promptly in writing of any such claim and gives Supplier full and complete authority, information, and assistance for the defense of such claim and provided further that Supplier will have sole control of the defense of any such action and all negotiations for its settlement or compromise. In the event that a final injunction shall be obtained against Buyer's use of the Goods by reason of infringement of a United States patent, Supplier will, at its option and at its expense, either procure for Buyer right to continue using the Goods, replace or modify the same so that it becomes non-infringing, or grant Buyer a credit for such Goods as depreciated and accept their return. Buyer will hold Supplier harmless from and against any expense, judgment or loss for infringement of any patents to the extent resulting from Supplier's compliance with Buyer's designs, specifications, or any unauthorized modification of Goods. The foregoing states the entire liability of Supplier, and the exclusive remedy of Buyer, with respect to any alleged patent infringement by the Goods.

7. **Termination:** Buyer may terminate any order under this Agreement at any time by written notice to Supplier. Upon receipt of such notice, Supplier shall stop all work thereunder, and Buyer shall pay to Supplier, as Supplier's sole and exclusive remedy, an amount equal to (a) Supplier's reasonable costs incurred prior to termination, plus the reasonable profit prorated on the portion of the work completed, less disposal or retention value of termination inventory, and (b) the reasonable and necessary cost, if any, incurred by Supplier in terminating the work.

8. **Indemnification:** Each party shall indemnify, defend, and hold harmless the other party from and against any loss, liability, claim or action, to persons, property, or third parties ("Loss") to the extent any such Loss was caused by the indemnifying party or its employees, agents, subcontractors, or affiliates.

9. **Limitation of Liability:** IN NO EVENT, REGARDLESS OF THE FORM OF ACTION, SHALL SUPPLIER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL LOSSES OR DAMAGES ARISING IN ANY WAY OUT OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, LOSSES OR DAMAGES ARISING OUT OF CLAIMS FOR LOSS OF USE, BUSINESS, GOODWILL, OR PROFITS, AND CLAIMS ARISING OUT OF THIRD PARTY ACTIONS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. Buyer agrees that Supplier's cumulative liability hereunder for damages, based on contract, warranty, tort (including, but not limited to, negligence, warranty, and strict liability), indemnity, contribution, or otherwise, shall not exceed the aggregate sum paid hereunder by Buyer to the date the amount of such liability is determined.

10. **Dispute Resolution and Governing Law:** If this parties cannot resolve a dispute regarding this Agreement through good faith negotiation, it will be resolved in the U.S. District Court for the Eastern District of North Carolina, western division (unless that court does not have jurisdiction to hear the dispute, in which case it will be resolved exclusively in state court in Wake County, North Carolina), and each party irrevocably submits to the sole and exclusive jurisdiction of these courts to hear these disputes. The laws applying to contracts made and fully performed in the State of North Carolina will govern this Agreement. The parties disclaim any application of the United Nations Convention on Contracts for the International Sale of Goods to this Agreement.

11. **General:** No waiver of any breach of this Agreement shall constitute a waiver of any prior or subsequent breach of any similar or dissimilar provision or a modification of the Agreement. This Agreement constitutes the entire agreement between the parties relating to the sale of the Goods and no addition to or modification of any provision of this Agreement shall be binding upon Supplier unless agreed in writing by Supplier. The Agreement is binding upon and will inure to the benefit of the parties and their respective successors and permitted assigns. Buyer may not assign any of its rights or delegate any of its obligations hereunder, in whole or in part, without the prior written consent of Supplier. Buyer shall not export either directly or indirectly any Goods, or any system incorporating Goods, either in contravention of statute or regulation or without first obtaining all required licenses and permits from the United States Department of Commerce and any other relevant agencies or departments of the United States government.