

Arrowhead Products
Offer of Sale
September 8, 2014 (Rev NC)

OFFER OF SALE

The goods, services or work (referred to as the "Products") offered by **Arrowhead Products**, its subsidiaries, affiliates and authorized distributors ("Seller") are offered for sale at prices indicated in the offer, or as may be established by Seller. The offer to sell the Products and acceptance of Seller's offer by any customer ("Buyer") is contingent upon, and will be governed by all of the terms and conditions contained in this Offer of Sale. Buyer's order for any Products specified in Buyer's purchase documents or Seller's offer, proposal or quote ("Quote") attached to the purchase order, when communicated to Seller verbally, or in writing, shall constitute acceptance of this offer.

1. **Terms and Conditions.** Seller's willingness to offer Products for sale or accept an order for Products is subject to the terms and conditions contained in this Offer of Sale or any newer version of the same, published by Seller electronically at www.arrowheadproducts.net. Seller objects to any contrary or additional terms or conditions of Buyer's order or any other document or other communication issued by Buyer.
2. **Price; Payment.** Prices stated on Seller's Quote are valid for thirty (30) days, except as explicitly otherwise stated therein, and do not include any sales, use, or other taxes or duties unless specifically stated. Seller reserves the right to modify prices to adjust for any raw material price fluctuations. Unless otherwise specified by Seller, all prices are FCA Seller's facility (INCOTERMS 2010). Payment is subject to credit approval and payment for all purchase is due thirty (30) days from the date of invoice (or such date as may be specified by Seller's Credit Department). Unpaid invoices beyond the specified payment date incur interest at the rate of 1.5% per month or the maximum allowable rate under applicable law.
3. **Shipment; Delivery; Title and Risk of Loss.** All delivery dates are approximate. Seller is not responsible for damages resulting from any delay. Regardless of the manner of shipment, delivery occurs and title and risk of loss or damage pass to Buyer, upon placement of the Products with the shipment carrier at Seller's facility. Unless otherwise stated, Seller may exercise its judgment in choosing the carrier and means of delivery. No deferment of shipment at Buyers' request beyond the respective dates indicated will be made except on terms that will indemnify, defend and hold Seller harmless against all loss and additional expense. Buyer shall be responsible for any additional shipping charges incurred by Seller due to Buyer's acts or omissions.
4. **Warranty.** Seller warrants that the Products sold hereunder shall be free from defects in material or workmanship for a period of (12) months from the date of delivery or 2,000 hours of normal use, whichever occurs first. All prices are based upon the exclusive limited warranty stated above, and upon the following disclaimer: **DISCLAIMER OF WARRANTY: THIS WARRANTY IS THE SOLE AND ENTIRE WARRANTY PERTAINING TO PRODUCT PROVIDED. SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING DESIGN, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
5. **Claims; Commencement of Actions.** Buyer shall promptly inspect all Products upon receipt. No claims for shortages will be allowed unless reported to Seller within ten (10) days of delivery. No other claims against Seller will be allowed unless asserted in writing within thirty (30) days after delivery. Buyer shall notify Seller of any alleged breach of warranty within thirty (30) days after the date the

defect is or should have been discovered by Buyer. Any claim or action against Seller based upon breach of contract or any other theory, including tort, negligence, or otherwise must be commenced within twelve (12) months from the date of the alleged breach or other alleged event, without regard to the date of discovery.

6. **LIMITATION OF LIABILITY.** IN THE EVENT OF A BREACH OF WARRANTY, SELLER WILL, AT ITS OPTION, REPAIR OR REPLACE A DEFECTIVE PRODUCT, OR REFUND THE PURCHASE PRICE WITHIN A REASONABLE PERIOD OF TIME. IN NO EVENT IS SELLER LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR AS THE RESULT OF, THE SALE, DELIVERY, NON-DELIVERY, SERVICING, USE OR LOSS OF USE OF THE PRODUCTS OR ANY PART THEREOF, OR FOR ANY CHARGES OR EXPENSES OF ANY NATURE INCURRED WITHOUT SELLER'S WRITTEN CONSENT, WHETHER BASED ON CONTRACT, TORT OR OTHER LEGAL THEORY. IN NO EVENT SHALL SELLER'S LIABILITY UNDER ANY CLAIM MADE BY BUYER EXCEED THE PURCHASE PRICE OF THE PRODUCTS.
7. **User Responsibility.** The user, through its own analysis and testing, is solely responsible for making the final selection of the system and Product and assuring that all performance, endurance, maintenance, safety and warning requirements of the application are met. The user must analyze all aspects of the application and follow applicable industry standards and Product information. If Seller provides Product or system options based upon data of specifications provided by the user, the user is responsible for determining that such data and specifications are suitable and sufficient for all applications and reasonable foreseeable uses of the Products or systems.
8. **Special Tooling.** A tooling charge may be imposed for any special tooling, including without limitation, dies, fixtures, molds and patterns, required to manufacture Products. Such special tooling shall be and remain Seller's property notwithstanding payment of any charges by Buyer. In no event will Buyer acquire any interest in apparatus belonging to Seller which is utilized in the manufacture of the Products, even if such apparatus has been specially converted or adapted for such manufacture and notwithstanding any charges paid by Buyer. Unless otherwise agreed, Seller has the right to alter, discard or otherwise dispose of any special tooling or other property in its sole discretion at any time.
9. **Loss to Buyer's Property.** Any designs, tools, patterns, materials, drawings, confidential information or equipment furnished by Buyer or any other items which become Buyer's property, will be considered obsolete and may be destroyed by Seller after two (2) consecutive years have elapsed without Buyer ordering the items manufactured using such property. Seller shall not be responsible for any loss or damage to such property while it is in Seller's possession or control.
10. **Buyer's Obligation: Rights of Seller.** To secure payment of all sums due or otherwise, Seller retains a security interest in all Products delivered to Buyer and this agreement is deemed to be a Security Agreement under the Uniform Commercial Code. Buyer authorizes Seller as its attorney to execute and file on Buyer's behalf all documents Seller deems necessary to perfect its security interest.
11. **Improper Use and Indemnity.** Buyer shall indemnify, defend and hold Seller harmless from any losses, claims, liabilities, damages, lawsuits, judgments and costs (including attorney fees and defense costs), whether for personal injury, property damage, patent, trademark or copyright infringement or any other claim, brought by or incurred by Buyer, Buyer's employees, or any other person, arising out of: (a) improper selection, application, design, specification or other misuse of Products purchased by Buyer from Seller; (b) any act or omission, negligent or otherwise, of Buyer; (c) Seller's use of patterns,

plans, drawings, or specifications furnished by Buyer to manufacture Products; or (d) Buyer's failure to comply with these terms and conditions. Seller shall not indemnify Buyer under any circumstances except as otherwise provided.

12. **Cancellations and Changes.** Buyer may not cancel or modify any order for any reason, except with Seller's written consent and upon terms that will indemnify, defend and hold Seller harmless against all direct, incidental and consequential loss or damage. Seller may change Product features, specifications, designs and availability.
13. **Limitation on Assignment.** Buyer may not assign its rights or obligations under this agreement without the prior written consent of the Seller.
14. **Force Majeure.** Seller does not assume the risk and is not liable for delay or failure to perform any of Seller's obligations by reason of events or circumstances beyond its reasonable control (hereinafter "Events of Force Majeure"). Events of Force Majeure shall include without limitation: accidents, strikes or labor disputes, acts of any government or government agency, acts of nature, delays or failures in delivery from carriers or suppliers, shortages of materials, or any other cause beyond Seller's reasonable control.
15. **Waiver and Severability.** Failure to enforce any provision of this agreement will not invalidate that provision; nor will any such failure prejudice Seller's right to enforce that provision in the future. Invalidation of any provision of this agreement by legislation or other rule of law shall not invalidate any other provision herein. The remaining provisions of this agreement will remain in full force and effect.
16. **Termination.** Seller may terminate this agreement for any reason and at any time by giving Buyer thirty (30) days prior written notice. Seller may immediately terminate this agreement, in writing, if Buyer: (a) breaches any provision of this agreement (b) appoints a trustee, receiver or custodian for all or any part of the Buyer's property (c) files a petition for relief in bankruptcy on its own behalf, or one if filed by a third party (d) makes an assignment for the benefit of creditors; or (e) dissolves its business or liquidates all or a majority of its assets.
17. **Governing Law.** This agreement and the sale and delivery of all Products shall be governed and construed in accordance with the laws of the State of Ohio, without regard to the conflicts of laws principles. Buyer irrevocably agrees and consents to the exclusive jurisdiction and venue of the courts of the State of Ohio with respect to any dispute, controversy or claim arising out of or relating to this agreement.
18. **Indemnity for Infringement of Intellectual Property Rights.** Seller is not liable for infringement of any patents, trademarks, copyrights, trade secrets or similar rights except as provided in this Section. Seller will defend and indemnify Buyer against allegations of infringement of U.S. patents, U.S. trademarks, copyrights and trade secrets ("Intellectual Property Rights"). Seller will defend at its expense and will pay the cost of any settlement or damages awarded in an action brought against Buyer based on an allegation that a Product sold pursuant to this agreement infringes the Intellectual Property Rights of a third party. Seller's obligation to defend and indemnify Buyer is contingent on Buyer notifying Seller within ten (10) days after Buyer becomes aware of such allegations of infringement, and Seller having sole control over the defense of any allegations or actions including all negotiations for settlement or compromise. If a Product is subject to a claim that it infringes the Intellectual Property Rights of a third party, Seller may, at its sole expense and option, procure for Buyer the right to continue using the Product, replace or modify the Product so as to make it non-infringing, or offer to accept return of the Product and refund the purchase price less a reasonable allowance for depreciation. Notwithstanding the foregoing, Seller is not liable for claims of infringement

based on information provided by Buyer, or infringements resulting from the modification, combination or use in a system of any Product sold hereunder. The foregoing provisions of this Section constitute Seller's sole and exclusive liability and Buyer's sole and exclusive remedy for infringement of Intellectual Property Rights.

19. **Entire Agreement.** This agreement contains the entire agreement between the Buyer and Seller and constitutes the final, complete and exclusive expression of the terms of sale. All prior or contemporaneous written or oral agreements or negotiations with respect to the subject matter are herein merged. The terms contained herein may not be modified unless in writing and signed by an authorized representative of Seller.
20. **Compliance with Laws.** Buyer agrees to comply with all applicable laws, regulations, and industry and professional standards of care of the United States of America, and the country or countries in which Buyer may operate, including without limitation the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.S. Anti-Kickback ("Anti-Kickback Act"), each as currently amended, and agrees to indemnify and hold harmless Seller from the consequences of any violation of such provisions by Buyer, its employees or agents. Buyer acknowledges that it is familiar with the provisions of the FCPA and the Anti-Kickback Act, and certifies that Buyer will adhere to the requirements thereof. In particular, Buyer represents and agrees that Buyer will not make any payment or give anything of value, directly or indirectly to any government official, any foreign political party or official thereof, any candidate for foreign political office, or any commercial entity or person, for the purpose of influencing such person to purchase Products or otherwise benefit the business of Seller.