A&S INNERSPRINGS USA, LLC GENERAL CONDITIONS OF SALE

- THESE GENERAL CONDITIONS, TOGETHER WITH ANY General. NONCONFLICTING PROVISIONS IN SELLER'S QUOTATION. ARE INTENDED BY THE PARTIES AS THE FINAL EXPRESSION, AND CONTAIN THE COMPLETE AND **EXCLUSIVE STATEMENT, OF THE TERMS AND CONDITIONS OF THIS AGREEMENT** SUPERSEDING ALL PREVIOUS OR SIMULTANEOUS COMMUNICATIONS EITHER ORAL OR WRITTEN. Seller's quotations are offers which may only be accepted in full. Purchaser shall be bound to any order for twenty (20) business days. If Purchaser's order or other form states terms additional to or different from those set forth herein, this writing shall be deemed notification of objection to such additional or different terms. This Agreement is conditioned on Purchaser's acceptance and assent to the terms and conditions contained herein. Acceptance of this Agreement shall be deemed to have occurred at the earlier of (i) 7 days from the date specified on Seller's acknowledgment form unless written objection is received by Seller during such 7 day period, (ii) Seller's identification of existing goods as goods to which this Agreement refers, or (iii) onset of Seller's manufacture of future goods. This Agreement cannot be waived, varied, modified or amended in any manner (including subsequent conduct between the parties) except in a writing signed by Seller. Any portion deemed invalid or unenforceable shall be struck and the remainder of this Agreement shall continue to be effective and binding. This Agreement shall bind and inure to the benefit of the parties and their respective successors and assigns. This Agreement is made under, and for all purposes shall be construed and enforced in accordance with and governed by. the laws of Connecticut, excluding (i) its conflict of laws provisions and (ii) the United Nations Convention for the International Sale of Goods. All actions arising hereunder shall be instituted in Connecticut. Purchaser hereby consents to the jurisdiction of the state and federal courts sitting in Hartford County, appoints the Secretary of State of Connecticut as its agent for service of process and agrees to appear in action upon written notice thereof.
- Price and Payment. Unless otherwise stated, all prices for the Products are net FCA (INCOTERMS 2000) Seller's facility in Windsor, Connecticut ("FCA"), with freight and insurance for Purchaser's account, and shall be those prices in effect at the time Seller accepts Purchaser's order except as provided below. As Seller's prices are based upon costs and conditions (including exchange rates) existing at time of acceptance, prices are subject to increase as those conditions change, e.g. increase in price of materials and labor and exchange rate fluctuations. Prices exclude all duties, taxes, tariffs, or other charges ("Charges") which may be imposed upon the sale or use of the Products. All Charges paid by Seller shall be for Purchaser's account. Any claim for exemption from Charges must be plainly designated on the face of the order and accompanied by all required exemption certificates. Payments are due net 30 days from the date of invoice, in cash, without deductions or set-off. Seller may require payment to be made C.O.D. or via irrevocable letter of credit in favor of, and acceptable to. Seller, established at Purchaser's expense. payment is not made when due, Seller may suspend all future delivery or other performance with respect to Purchaser without liability or penalty and, in addition to all other sums payable hereunder, Purchaser shall pay to Seller (i) the reasonable costs and expenses incurred by Seller in connection with all actions taken to enforce collection or to preserve and protect Seller's rights hereunder, whether by legal proceedings or otherwise, including without limitation reasonable attorneys' fees, court costs and other expenses and (ii) interest on all amounts unpaid after 30 days charged at the monthly rate of 8% or the highest rate permitted by law, whichever is lower.

- 3. <u>Title and Security Interest</u>. Seller reserves, and Purchaser hereby grants to and creates in favor of Seller, a first priority purchase money security interest in each Product (or the equivalent under Purchaser's local law), including all component parts added by modification or repair, and all proceeds from the sale thereof, until full payment is received. Purchaser agrees to sign upon request, and hereby authorizes Seller to sign on its behalf and as its attorney in fact, any documents necessary to perfect Seller's security interest. Upon resale, Purchaser agrees to take, and immediately assign to Seller, a perfected security interest in each Product.
- Shipment; Delivery; Inspection. Unless otherwise agreed in writing, shipment and delivery of the Products shall be FCA. All shipment, insurance or similar charges shall be borne by Purchaser. Delivery of the Products to the first carrier shall constitute delivery to Purchaser, whereupon risk of loss is transferred to Purchaser, and all claims for loss or damage in transit or for non-delivery shall be made by Purchaser against the carrier. At Seller's option, Products may be shipped in advance of the requested shipment date or in installments. All delivery information (including time for shipment) is approximate. Seller's sole responsibility is to use reasonable commercial efforts to meet specified shipment dates. Purchaser expressly absolves Seller from any liability for any loss or damage resulting from a failure to deliver or delays in delivery caused by any conditions related to, or caused by, failure to process or inaccurate processing of time-sensitive information and/or mechanisms, a labor dispute (e.g. strike, slowdown or lockout), fire, flood, governmental act or regulation (e.g. denial of export licenses), riot, inability to obtain supplies or shipping space, plant breakdown, power failure, delay or interruption of carriers, accidents, acts of God or other causes beyond Seller's control. NOTWITHSTANDING THE ABOVE, SELLER SHALL NOT BE LIABLE FOR ANY DAMAGE OR PENALTIES WHATSOEVER, WHETHER INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL, RESULTING FROM SELLER'S FAILURE TO DELIVER OR DELAY IN DELIVERY FOR ANY REASON. Overages and shortages of 10% or less ("Permitted Shortages") are allowed. Within 5 business days of receipt, Purchaser shall inspect the Products. Unless Purchaser notifies Seller in writing of any nonconformities within 10 business days of receipt, Purchaser shall be deemed to have accepted the Products without qualification, and cannot, thereafter, reject any Products. Once used, Products are deemed to be fully conforming to this Agreement.
- 5. <u>Cancellation, Failure to Take Delivery.</u> This Agreement cannot be canceled or postponed by Purchaser except with Seller's consent and upon terms that will indemnify Seller against loss. If Purchaser cancels all or part of an order for special, non-standard Products ("Specials"), Purchaser shall pay Seller the greater of an amount equal to (i) 100% of the price for such cancelled Specials, or (ii) the actual and consequential damages incurred by Seller, including without limitation Seller's anticipated profit and expenses already incurred by Seller. If Purchaser cancels all or part of an order for standard Products ("Standard Products"), Purchaser shall pay Seller the greater of an amount equal to (i) 50% of the price for such cancelled Standard Products, or (ii) the actual and consequential damages incurred by Seller, including without limitation Seller's anticipated profit and expenses already incurred by Seller. If Purchaser postpones delivery, Purchaser shall pay Seller the sum of (i) a monthly charge equal to 1 1/2% of the total price for the Products subject to such postponement, <u>and</u> (ii) reasonable postponement charges; <u>e.g.</u> Seller's idle time, warehousing expense, etc.
- 6. <u>Warranty</u>. Subject to the warranty limitation set forth in Section 7, Seller warrants that the Products sold hereunder will substantially conform to the applicable specifications and will be free from defects in material and workmanship for one year after shipment FCA, under normal and proper use and service. Drawings prepared by Seller and approved by Purchaser shall be deemed the correct interpretations of the work to be

performed even if inconsistent with the plans and specifications. Upon resale, Purchaser agrees to extend to its customers no greater warranties, and limit its liability and remedies to the same extent, as those set forth herein.

- Warranty Limitation. The warranty and remedies for breach of warranty provided for in these General Conditions extend only to the original installation and do not cover, and Seller shall not be liable for, (i) abnormal wear and tear or damage caused by installation, maintenance, or use which is improper or contrary to the instructions published by Seller, (ii) storage of Products in a wet or damp area or unprotected from weather and other job conditions, (iii) any cause beyond the control of Seller, including without limitation conditions caused by movement, settlement or structural defects of the environment in which the Products are installed, fire, wind, hail, flood, lightning or other acts of God, any conditions related to, or caused by, failure to process or inaccurate processing of time-sensitive information and/or mechanisms, intentional acts, accidents, negligence or exposure to harmful chemicals, pollutants or other foreign matter or energy, (iv) repair or damage caused by anyone except personnel authorized by Seller, (v) any damage to the finish of the Products after they leave Seller's facility, or (vi) any discoloration or spotty appearance of the Products. Items repaired or replaced and designs corrected under warranty are warranted only for the remainder of the original warranty period. All Product literature is for illustrative purposes only and does not contain a warranty of any kind. Seller's advice relating to the technical usage of the Products or the intellectual property rights of others, whether provided orally or in writing or through the provision of test results, is given in accordance with Seller's best knowledge at that time, but shall at all times be deemed to be non-binding. Such advice does not relieve Purchaser from the obligation, and Purchaser accepts full responsibility, to confirm for himself the suitability of the Products for the intended purpose(s). THE WARRANTY SET FORTH IN SECTION 6 IS STRICTLY LIMITED TO ITS TERMS AND IS IN LIEU OF ALL OTHER WARRANTIES, GUARANTEES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW, COURSE OF DEALING, USAGE OF TRADE OR OTHERWISE, SPECIFICALLY **EXCLUDING** ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 8. Remedy. Purchaser's <u>sole</u> and <u>exclusive</u> remedy, and Seller's only obligation for breach of warranty hereunder, shall be, at Seller's option in its sole discretion, to (i) repair or replace the defective Product which fails within the one year warranty period, free of charge, provided that Purchaser promptly notifies Seller of such failure and, after receipt of prior written authorization from Seller, returns such Product to the place requested by Seller, freight prepaid, and thereupon Seller finds such to be defective or (ii) issue a credit equal to the price of the defective Product which fails within the one year warranty period. Purchaser must pay all related costs of repair or replacement, including removal, installation or reinstallation costs. Seller's personnel must be granted access to inspect the Products claimed to be defective at the site of their installation or use.
- 9. <u>Disclaimer</u>; <u>Limitation of Liability, Time For Claims</u>. Purchaser agrees that Seller shall not be liable for INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL OR OTHER SIMILAR DAMAGES including but not limited to loss of profit or revenues, damage for loss of use of the Products, damage to property, claims of third parties, including personal injury or death on account of use of the Products or failure of Seller to warn against or instruct on, or adequately warn against or instruct on, the dangers of the Products or the safe and proper use of the Products, whether or not Seller has been advised of the potential for such damages. Seller's total liability hereunder from any cause whatsoever (except liability from personal injury caused by Seller's negligence), whether arising under contract, warranty, tort (including negligence), strict liability, products liability or any other theory of liability, will be limited to the lesser of Purchaser's actual damages or the price paid to Seller

for the Products that are the subject of Purchaser's claim. All claims against Seller must be brought within one year after the cause of action arises, and Purchaser expressly waives any longer statute of limitations.

- Specifications, Intellectual Property. Seller assumes no liability for any errors or omissions in any specifications provided or required by Purchaser ("Purchaser Specifications"), including any errors or omissions made by Seller in interpreting Purchaser Specifications. Purchaser Specifications not listed and priced by Seller are not part of this Agreement. Purchaser agrees, at its own expense, to defend, indemnify and hold harmless Seller, its officers, agents, employees and principals, against any and all losses, costs, including investigation costs, damages, claims, liabilities or expenses of any kind, including without limitation reasonable attorneys' fees, arising out of or resulting from, directly or indirectly, any claims of violation of proprietary rights of third parties due to, or injury or death to persons or damage to property caused by, Purchaser Specifications. Seller retains all copyrights and other ownership rights with respect to all drawings, models, plans, software, samples, and other documentation (collectively "Seller Documentation"). Documentation may not be copied or disclosed to others without Seller's express written consent and must be promptly returned to Seller (i) if an order is not placed or (ii) at Seller's request. If an order is not placed in response to Seller Documentation, Seller is entitled to reasonable compensation.
- 11. <u>Exports</u>. Purchaser warrants that it is and will remain in compliance with all export and reexport requirements, laws and regulations of the United States of America and any other applicable export and reexport laws and regulations.

The following legend should be placed on the front of the invoice and acknowledgment forms:

These terms and conditions set on the front and the reverse side hereof (the "General Conditions" or this "Agreement") apply to any sale of products (the "Products") by ______ ("Seller"), and include LIABILITY AND REMEDY LIMITATIONS AND WARRANTY EXCLUSIONS, INCLUDING WITHOUT LIMITATION LANGUAGE EXCLUDING THE WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.