



PDM US, LLC TERMS AND CONDITIONS OF SALE

These Terms and Conditions of Sale (these “Terms” or this “Agreement”) shall govern all conduct between PDM US, LLC (“PDM”) and Purchaser, regardless of the nature or form of Purchaser’s offer to purchase PDM products (“Products”) from PDM. “Purchaser” means the individual or entity identified on Purchaser’s purchase order, or if different, on PDM’s quote or invoice. To the extent PDM’s order acknowledgement, invoice or other document or transmittal constitutes an acceptance of an offer from Purchaser, such acceptance is expressly made conditional upon Purchaser’s agreement to these Terms. Purchaser disclaims all other terms, including but not limited to, terms included in any Purchaser’s purchase order.

1. **ENTIRE AGREEMENT.** The entire agreement of PDM and Purchaser is expressed exclusively in the terms, covenants and conditions set forth in these Terms, PDM’s quote, and PDM’s acceptance and acknowledgment of Purchaser’s purchase order. Purchaser’s attempt to modify these terms on Purchaser’s own purchase order or other documents are expressly rejected and of no force or effect. PDM’s acceptance of Purchaser’s purchase order is expressly made conditional upon the Purchaser’s assent to these terms.

Purchaser shall have been deemed to agree to these Terms upon the earlier of Purchaser’s (a) execution of a Credit Application, (b) acceptance of PDM’s quotation, (c) issuance of a purchase order to PDM, or (d) acceptance of delivery of the Products. These Terms represent the final and complete understanding of the parties and may be amended or cancelled only by mutual written agreement by an authorized representative of PDM. No order for PDM’s Products or related services shall be binding upon PDM until accepted by PDM. An order is deemed accepted at the earlier of (a) PDM’s acknowledgment of the order in writing or (b) when Product is shipped.

2. **PRICES.** Prices are based on the PDM price list in effect at the time of quotation and are subject to change without notice. Verbal quotations are non-binding on PDM.

3. **TAXES.** Prices do not include any sales, use, excise, privilege, ad valorem, or other taxes, duties, tariffs or assessments now or hereafter imposed or levied (“Taxes”) by or under the authority of any foreign, federal, state, provincial, or local law, rule, or regulation (collectively, “Law”) concerning the Products or the manufacture or sale thereof. If PDM pays any such Taxes, Purchaser shall, upon demand, immediately reimburse PDM for such amounts.

4. **TERMS OF PAYMENT.** Except as otherwise specified in writing by PDM, terms of payment are net 30 days from the date of PDM’s invoice and shall be

due and payable without setoff or deduction of any kind. In the event that PDM determines, at any time in its sole discretion, that the credit of Purchaser or of any person providing credit support for Purchaser’s obligations is or becomes impaired, or there is any reason to doubt the enforceability or sufficiency of any agreement or instrument supporting Purchaser’s obligations, PDM shall have the right, among any other rights provided by applicable law, to declare immediately due and payable any and all amounts owed by Purchaser to PDM, whether under these Terms or otherwise, and to suspend and/or terminate further production and delivery to Purchaser of any order until credit arrangements satisfactory to PDM in its sole judgment have been established. Purchaser agrees and acknowledges that PDM is entitled to payment of interest at the rate of 18% per annum, calculated on the basis of a 365-day calendar year, on all invoices and balances outstanding more than 30 days after the date of invoice. Should PDM offer an early payment discount, Purchaser must ensure that payment is received by PDM on or before the discount due date noted on the invoice, regardless of when the Products or invoice were received by the Purchaser. Payments received after the discount due date are not eligible for early payment discount deductions and such invoices must be paid in full.

Purchaser shall be liable for all costs and expenses related to collection of past due amounts, including, without limitation, reasonable attorneys’ fees and costs. As collateral security for the payment for the Products, Purchaser hereby grants to PDM a purchase money lien on and security interest in and to all right, title and interest of Purchaser in the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds). This security interest constitutes a purchase money security interest under the UCC. Upon demand, Purchaser shall pay all costs and expenses with respect to the administration and enforcement of the foregoing security interest.

If delivery is delayed or deferred by Purchaser beyond the scheduled date, payment shall be due in full when PDM is prepared to ship the Products. The Products may thereafter, at PDM's option, be stored at the risk and expense of Purchaser.

5. **DELIVERY.** Delivery shall be made FOB shipping point at PDM's facility in Rock Hill, South Carolina, and title and risk of loss passes to Purchaser at such time. Delivery/performance dates are estimates only. On less-than-truckload ("LTL") shipments, all freight will be prepaid and charged to Purchaser in addition to the invoice price for the Products. PDM shall not be liable for any claim, loss, expense, or damage of any kind whatsoever for delays, or loss or damage in transit. Claims for loss or damage shall be made solely against the carrier, regardless of who contacts or contracts with the carrier. PDM may, in its sole discretion, without liability or penalty, make partial shipments of Products to Purchaser. Each shipment will constitute a separate sale, and Purchaser shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Purchaser's purchase order.

PDM will use commercially reasonable efforts to meet Purchaser's request for a specified delivery date; however, PDM will not be responsible for any failure or delay of delivery or other performance, including, but not limited to: failure of the carrier (for any reason) resulting in delayed delivery (or non-delivery), fire, floods, windstorms, labor difficulties, plant or equipment breakdowns, road passage delays due to construction, maintenance, congestion or accidents, riots or civil commotions, explosions, war, or due to any other cause or causes beyond its control, including, without limitation, U.S. Department of Transportation and Federal Motor Carrier Safety Administration Driver Hours of Service Regulations.

6. **DELIVERY INSPECTION.** Purchaser shall inspect the Products immediately upon receipt, legibly signing and dating any exceptions to the delivery and disposition on the Bill of Lading, Proof of Delivery (POD) or Delivery Receipt (DR).

Shortage Notations: Purchaser shall specify the quantity actually received next to the BOL quantity and circle it. Any missing items should be listed with the product description and noted as "short".

Damage Notations: Purchaser shall specify the Product description, quantity damaged, nature and location of damage on the BOL.

Shortage or damage should be reported immediately to PDM via email to sales@pdmus.com and should

include a copy of the DR with the damage or shortage information clearly notated. Failure to give such written notice upon receipt will constitute irrevocable acceptance by Purchaser of all Products.

7. **CHANGES OR CANCELLATION.** Changes in specifications to Products, changes in delivery or cancellations of orders are not permitted. PDM reserves the right to cancel any purchase orders or releases thereunder, or terminate any agreement relating to purchase of PDM's Products, upon 10 days' notice to Purchaser.

8. **RETURNS.** Products are non-returnable. If PDM, at its discretion, approves the return of Products for a reason other than a timely claim under PDM's Limited Warranty (as defined below), a 20% handling charge will be assessed, and Purchaser must pay all freight charges. Any returned Products are subject to inspection and acceptance at PDM's plant. Any authorized credit adjustments will apply only if the Products are returned in the same condition in which they were shipped. No credit will be given for unauthorized returns.

9. **STORAGE.** In the absence of agreed shipping dates, PDM may invoice Purchaser and ship the Products once they are ready for shipment. If, because of Purchaser's inability to take delivery on a mutually agreed delivery date, the Products are not shipped, stopped in transit or returned, PDM may store them for Purchaser at Purchaser's expense and title and risk of loss shall pass to Purchaser when the Products are placed in storage and such date shall constitute the date of shipment for purposes of beginning the limited warranty and payment term periods.

10. **LIMITED WARRANTY.** PDM warrants to the Purchaser only that each Product manufactured and sold by PDM shall be free from defects in materials and workmanship at the time of shipment for a period of eighteen (18) months from the date of receipt by Purchaser (the "Limited Warranty"). If a Product fails to conform to the Limited Warranty and Purchaser has fully complied with all of its obligations under these Terms, PDM, at its sole option, shall either (a) replace the non-conforming Product(s) with Product(s) in the form originally shipped or (b) issue a credit to the Purchaser in an amount not to exceed the original purchase price, less scrap value, of the non-conforming Product(s). This Limited Warranty only extends to each Product as shipped to, and is for the sole and exclusive benefit of, the immediate Purchaser of such Product. The foregoing sets forth the sole and exclusive remedy for failure of the Products to comply with the terms of the Limited Warranty. **THE LIMITED**

WARRANTY IS THE ONLY WARRANTY APPLICABLE TO THE PRODUCTS AND IS IN LIEU OF AND EXCLUDES ALL OTHER EXPRESS ORAL OR WRITTEN WARRANTIES AND ALL IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY THE SELLER OR ANY EMPLOYEE, AGENT, DISTRIBUTOR OR OTHER SUPPLIER OF THE PRODUCTS SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THE LIMITED WARRANTY. NO EMPLOYEE, AGENT, DISTRIBUTOR, OR OTHER SUPPLIER OF THE PRODUCTS HAS THE AUTHORITY TO MODIFY OR AMEND THE LIMITED WARRANTY. Any claims not made during the Warranty Period are deemed waived.

PDM will not be liable for Products claimed to be defective where the defect resulted from causes not within PDM's control, or which arose or occurred after shipment, including but not limited to accidents, misuse, mishandling, improper storage or installation, contamination or adulteration by other materials, products, vermin, or abnormal conditions of temperature, moisture, dirt, abuse, reasonable wear and tear, unauthorized product modification, hydrostatic pressure damage, corrosive matter or force majeure. PDM will not be liable for Products used or installed outside of the U.S. or Canada or for products not sold directly, or through authorized distributors of, PDM. In addition, PDM will not be liable for Products used or installed in one installation, or a related series of installations, which exceed 10,000 linear feet of Product unless such installation was validated and approved in writing by PDM in advance of installation.

Any claim that a Product sold by PDM was defective or otherwise did not conform to the Limited Warranty is waived unless Purchaser submits a breach of warranty claim in writing to PDM within ten (10) days from the date Purchaser discovered or could reasonably have discovered the defect or non-conformance. Notice should be sent to support@pdmus.com.

For more information concerning PDM's Limited Warranty and to review the procedure for filing a warranty claim regarding PDM Products, please see the Limited Warranty Statement on PDM's website (www.pdmus.com) which statement is specifically incorporated herein.

11. LIMITATION OF LIABILITY. SELLER SHALL NOT BE LIABLE TO PURCHASER OR ANY

OTHER PERSON OR ENTITY CLAIMING THROUGH THE PURCHASER FOR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES OR ANY OTHER LOSSES, DAMAGES OR EXPENSES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY AMOUNT IN EXCESS OF THE PRICE RECEIVED BY SELLER FOR THE PRODUCTS WITH RESPECT TO WHICH SUCH LIABILITY IS CLAIMED.

12. INDEMNIFICATION. Purchaser shall defend, indemnify and hold PDM, its affiliates and their respective officers, directors, members, managers, representatives, agents and employees harmless from and against all claims, suits, demands, losses, liabilities, damages (including injury and death) and expenses (including reasonable attorneys' fees) (collectively, "Losses"), arising out of or relating to: (a) Purchaser's use, misuse or disposal of Products; (b) Purchaser's non-compliance with any Law; (c) breach of these Terms by Purchaser; and (d) Products subjected to: (i) improper installation or storage; (ii) accident, damage, abuse or misuse; (iii) abnormal operating conditions or applications; (iv) operating conditions or applications above the rated capacity of the Products; (v) modifications made to all or part of the Products without the prior written consent of PDM; or (vi) a use or application other than or varying in any degree from the specifications and PDM's instructions.

In addition to the foregoing, the Purchaser shall indemnify and hold PDM harmless from any claims by a third party, including any end users of the Products arising out of any warranty made by the Purchaser regarding the Products to such third parties which is inconsistent with the Limited Warranty provided by PDM.

13. EXPORT COMPLIANCE. Any Products sold by PDM are subject to controls by the United States Government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into

other items, without first obtaining approval from the United States Government or as otherwise authorized by U.S. Law.

14. **FORCE MAJEURE.** PDM shall not be liable for any delay in or failure to perform due to any event or contingency beyond its reasonable control (an event of "Force Majeure"), including, but not limited to, acts of God, epidemics, acts of war whether declared or undeclared, blockades, labor disputes (whether of PDM's employees or the employees of others), raw material shortages and material increases in costs of raw materials, including those material increases in costs resulting from the imposition of tariffs. In the event of Force Majeure, the time for performance will extend for such time as reasonably necessary to enable PDM to perform. PDM may, during any period of shortage due to any of the above circumstances, allocate its available supply of Products among itself and its purchasers in such manner as PDM, in its sole judgement, deems fair and equitable.

15. **TERMINATION.** PDM shall have the right to cease work or cancel any purchase order, in whole or in part, at any time, without liability, if: (i) Purchaser breaches or defaults under these Terms or any other agreement it has with PDM; (ii) a petition under any applicable law relating to bankruptcy, insolvency, or reorganization is filed by or against Purchaser; (iii) Purchaser executes an assignment for benefit or creditors; (iv) a receiver is appointed for Purchaser or any substantial part of its assets; or (v) PDM shall have any reasonable ground for insecurity with respect to Purchaser's ability to perform and Purchaser is unable to provide PDM with adequate assurance within 10 days after written request therefor by PDM. In all cases, PDM's rights are cumulative, are not exclusive and in addition to all other rights and remedies it may have at law or in equity. No termination shall affect any accrued rights or obligations of either party as of the effective date of such termination.

16. **GOVERNING LAW.** Any dispute arising out of or related to these Terms and any agreement between PDM and Purchaser will be governed by and construed in accordance with the laws of the State of South Carolina without regard to any rules on conflicts of laws and exclusively litigated in a state or federal court located in York County, South Carolina. **THE PURCHASER AND PDM SUBMIT TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE FEDERAL COURTS AND STATE COURTS OF SOUTH CAROLINA FOR ALL MATTERS RELATED HERETO.**

17. **SEVERABILITY.** The unenforceability or invalidity of any clause in these Terms shall not have an impact on the enforceability or validity any other clause in these Terms. Any unenforceable or invalid clause shall be regarded as removed from these Terms to the extent of its unenforceability and invalidity.

18. **MISCELLANEOUS.** Purchaser shall not assign any of its rights or obligations under these Terms or any purchase order without PDM's prior written consent. No waiver by PDM of any obligation of Purchaser shall constitute a waiver of any other term or obligation. There are no third-party beneficiaries. Provisions which by their nature should survive will remain in force after any termination or expiration of any sale of Products subject to the terms and conditions of PDM's Limited Warranty. The section headings are included solely for the convenience of the parties.