

## ISOLA USA Corp. Terms and Conditions of Purchase

1. **CONTROLLING DOCUMENTS.** These terms and conditions of purchase ("**Terms**") are incorporated into and made part of the contract ("**Contract**") between ISOLA USA Corp. ("**Isola**") and supplier ("**Supplier**") that consists of: (a) these Terms; (b) an Isola purchase order issued to Supplier or a current written agreement signed by both parties ("**Order**") for the purchase or license of goods or services ("**Goods**"); and (c) any change orders or other attachments identified in the Contract or Order. If there is a conflict between these Terms and any other Contract related document, the terms of each will apply in the following order of precedence: (i) the parties' current written agreement for the purchase of Goods; (ii) the applicable Isola Purchase Order; (iii) these Terms; and (iv) any applicable change orders or other attachments identified in the Contract.
2. **ACCEPTANCE.** Isola's purchase is conditioned on Supplier's acceptance of the Contract as the exclusive terms applicable to the parties' performance. Supplier's general terms and conditions of sale or any other Supplier terms are expressly excluded. The Order is not binding on Isola until Supplier accepts the Order either: (a) in writing (e.g., acknowledges receipt of the Order by email), or (b) by performing in accordance with the Order. If Supplier does not accept the Order in writing or provide written notice that it commenced performance within 2 business days of Supplier's receipt of the Order, the Order will be deemed accepted unless Isola withdraws the Order by providing Supplier written notice. Isola is not obligated to any minimum purchase or future purchase obligations under the Contract.
3. **DELIVERY DATE AND LOCATION.** Supplier will deliver Goods in the quantities and on the date(s) specified in the Order or as otherwise agreed in writing by the parties ("**Delivery Date**"). Timely delivery of Goods is of the essence. All Goods will be delivered to the address specified in the Order ("**Delivery Location**") during normal business hours or as Isola otherwise instructs.
4. **QUANTITY.** Supplier's shipment of Goods varying not more than +/- 5% in quantity from that ordered will be considered fulfillment of the Order. However, Isola may reject all or any excess Goods. Rejected Goods will be returned at Supplier's risk and expense. If Isola does not reject Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for Goods will be the unit price multiplied by the quantity delivered.
5. **TITLE AND SHIPPING TERMS.** Title passes to Isola upon delivery of Goods to the Delivery Location. Supplier bears all risk of loss or damage to Goods until such delivery. Unless otherwise specified on the face of the Order or agreed in writing, delivery of Goods from inside the U.S. will be prepaid to Isola's Delivery Location, and delivery of Goods from outside the U.S. will be FCA (Supplier's facility)(Incoterms 2010). Supplier will notify Isola in writing when Goods are delivered to transportation carrier. Supplier will mark all shipping documents with the Order number and provide such documents to Isola, including the commercial invoice, packing list, air waybill/bill of lading, and any other documents necessary to release Goods to Isola on the same day Supplier delivers Goods to the transportation carrier. In addition, for shipments from outside the U.S., Supplier's packing materials will comply with Isola's International Supplier Custom Requirements posted on Isola's website, as updated from time to time, in order to meet U.S. regulations and clear cargo with customs.
6. **PACKAGING.** Goods will be packed for shipment according to Isola's instructions or, if there are no instructions, in a manner sufficient to ensure that Goods are delivered in undamaged condition. Supplier must give Isola prior written notice if Supplier requires Isola to return packaging material, which will be at Supplier's expense.
7. **CHANGE.** No change to the Order is binding upon Isola unless it is in writing, specifically states it amends the Order, and is signed by an Isola authorized representative. If Isola authorizes a change that will result in additional cost or time to perform the Order, Supplier must promptly notify Isola. If Isola can substantiate the additional cost or time, then the parties will negotiate an equitable adjustment in price, delivery schedule, or both. Isola may cancel the uncompleted portion of the Order without liability.
8. **QUALITY.** Supplier will meet or exceed Isola's quality standards for Goods as specified by Isola including, for example, possess certification in an applicable quality management system such as ISO 9001 or equivalent. Supplier will provide Isola evidence of quality standard certification upon request.
9. **INSPECTION AND REJECTION OF NONCONFORMING GOODS.** Isola may inspect the Goods, or a sample thereof, on or after the Delivery Date. Isola, at its option, may reject all or any portion of Goods if it determines Goods are nonconforming or defective. If Isola rejects any portion of Goods, Isola may, upon written notice to Supplier: (a) withdraw the Order in its entirety; (b) accept Goods at a reasonably reduced price; or (c) reject Goods and require replacement of rejected Goods. If Isola requires replacement of Goods, Supplier will, at its expense, promptly replace nonconforming Goods and pay for all related expenses, including transportation charges to return defective Goods and deliver replacement Goods. If Supplier fails to timely deliver replacement Goods, Isola may replace them with goods from a third party and charge Supplier the cost thereof and terminate the Order pursuant to Section 21(b). Any inspection or other action by Isola under this Section 9 will not reduce or otherwise affect Supplier's obligations under the Order, and Isola will have the right to conduct further inspections after Supplier has carried out remedial actions.
10. **INSPECTION.** Upon Isola's request, Supplier will permit inspection of Supplier's facilities, operations, and training materials, sufficient to confirm compliance with obligation of this Contract by Supplier and its suppliers.
11. **PRICE.** The price of Goods is the price stated in the Order ("**Price**"). If there is a consignment or other signed agreement in place between Isola and Supplier, then the pricing contained in agreement will apply. Prices include duties, insurance, other governmental assessments and fees, taxes, transportation costs, and packaging imposed on the manufacture, sale, or delivery of Goods. No increase in the Price is effective, whether due to increased material, labor, or transportation costs or otherwise, without Isola's prior written consent and only after Isola has been given at least 30 days' written notice. Isola may offset any amount owed to Isola by Supplier against any amount payable by Isola to Supplier.
12. **MOST FAVORED CUSTOMER.** Supplier warrants that Prices do not exceed prices that Supplier customarily charges its most favored customer for similar volumes of similar goods. Isola may terminate an Order due to breach of this Section 12 without liability pursuant to Section 21(b).

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13. PAYMENT TERMS. Supplier will invoice Isola on or any time after delivery of Goods and only in accordance with these Terms. However, Isola has no payment obligation for amounts invoiced a year or more after delivered of Goods. Isola will pay all undisputed, properly invoiced amounts due in U.S. dollars in accordance with the terms of payment set forth in the Order. In the event of a payment dispute, Isola will provide Supplier a reasonably detailed description of each disputed item.

14. CONTINUITY OF SUPPLY. If Supplier must stop supply of Goods for any reason, including plant closure, while Orders are pending or any time one (1) year thereafter, Supplier will: (a) give Isola at least six (6) months advance written notice of the end of life of the affected Goods ("**End of Life Notice**"); (b) use commercially reasonable efforts to identify replacement or alternative Goods to meet Isola's needs; and (c) fulfill Isola's last time buy order for quantity of Goods equivalent to up to two (2) year supply, provided such order is placed within six (6) months of Isola's receipt of Supplier's End of Life Notice.

15. WARRANTIES. Supplier warrants that: (a) Goods do not infringe any third party intellectual property rights; and (b) for a period of one year from the actual date of delivery, Goods will: (i) conform to designs, drawings, samples, and specifications Supplier provides Isola; (ii) conform to quality and other requirements specified by Isola; (iii) be free from any defects in design, material, manufacture, and workmanship; (iv) be free and clear of all liens, security interests, or other encumbrances; and (v) if Supplier knows the purpose for which Isola intends to use Goods, be fit for their intended purpose and operate as intended. These warranties survive any delivery, inspection, acceptance, or payment of Goods. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Isola's discovery of noncompliance of Goods with the foregoing warranties. Supplier will, at its own expense, replace or repair Goods that are not in compliance with the foregoing warranties and pay for all related expenses, including transportation charges to return Goods to Supplier and deliver repaired or replacement Goods to Isola.

16. INDEMNIFICATION. Supplier will defend Isola and its parent company and its subsidiaries, successors, and assigns, and their respective directors, officers, shareholders, and employees, and Isola's customers (collectively, "**Indemnitees**") against any suit or proceeding, and Supplier will indemnify Indemnitees from all cost, damage, and expense, including reasonable attorney fees, other professional fees and costs, judgment, cost of settlement, cost of enforcing any right to indemnification hereunder, and cost of pursuing any insurance providers (collectively, "**Losses**") arising out of, or in connection with: (a) Goods purchased from Supplier; (b) Supplier's negligence, willful misconduct, or breach of these Terms; or (c) any claim that use or possession of Goods infringes third party intellectual property rights. Isola will provide information relevant to the claim, at Supplier's expense. Isola will give Supplier exclusive control of the defense, subject to Isola's right to participate at its own expense. Supplier will not enter into any settlement without prior written consent of the affected Indemnitee. Isola or other Indemnitee may assume control of the defense at any time it is determined that Supplier is not providing a competent defense or is inadequately funding it. This will not relieve Supplier of its indemnification obligation. If Isola's use of Goods is enjoined, Supplier will, at Isola's option: (i) obtain for Isola the right to continue using Goods; (ii) replace Goods with non-infringing goods; (iii) modify Goods so that they are non-infringing; or (iv) refund the purchase price of Goods.

17. INSURANCE. Unless stated otherwise in the Order, Supplier

will, at its own expense, carry commercial general liability insurance (including product liability) with limits of no less than \$1,000,000 per occurrence; automobile insurance with limits of \$1,000,000 combined single limit; workers compensation with statutory/employers liability limit of \$500,000; and if Supplier's obligation includes moving or installing Isola equipment or other property, then care, custody and control insurance with a limit of \$5,000,000. Upon Isola's request, Supplier will provide Isola with a certificate of insurance from Supplier's insurer evidencing the insurance coverage specified in the Order. The certificate of insurance will name Isola as an additional insured. Supplier will provide Isola 15 days' advance written notice of a cancellation or material change in Supplier's insurance policy. Except where prohibited by law, Supplier will require its insurer to waive all rights of subrogation against Isola's insurers and Isola or other Indemnitees.

18. COMPLIANCE WITH LAW. Supplier has and will maintain in effect all licenses and permits needed to carry out its obligation under the Order. Further, Supplier has and will comply with applicable laws, regulations, and ordinances including: (a) environmental protection; (b) employee working hours; (c) export and import laws of all countries involved in the sale of Goods; and (d) safety. Supplier will not use child labor, convict labor, forced labor, or indentured labor to carry out its obligations under the Order. Supplier assumes all responsibility for shipments of Goods requiring any government import clearance.

19. TOXIC OR HAZARDOUS SUBSTANCES. If Goods contain hazardous or toxic substances, Supplier warrants: (a) Globally Harmonized System compliant Safety Data Sheets ("SDS") will be promptly provided to Isola; (b) if Goods are manufactured outside the U.S., Supplier will provide Goods to Isola through a U.S. subsidiary of the foreign manufacturer along with SDS' that are accurately and professionally translated into English and identify in section 1 the name, address, business and emergency telephone numbers for the U.S. subsidiary; (c) no Class I or Class II Ozone Depleting Substances, polychlorinated or polybrominated biphenyl or phenyl ethers, dioxins or their analogs, or asbestos containing material are supplied to Isola; (d) Supplier will notify Isola of applicable Significant New Use Rule restrictions under the Toxic Substances Control Act Inventory ("TSCA"), if any; (e) upon Isola's request, Supplier will give Isola prompt written certification of TSCA compliance; (f) Goods and packaging materials conform to applicable hazardous substances restrictions, including the European Union's packaging and packaging waste directive, RoHS Directive, WEEE Directive, REACH Directive, EuP Directive, and People's Republic of China's Management Methods for Controlling Pollution for Electronic Information Products; (g) wood packaging material coming into the U.S. is treated to kills pests and marked in accordance with the U.S. Department of Agriculture regulations. Further, Supplier will use commercially reasonable efforts to avoid use, in, or during the production Goods, of conflict minerals as defined in the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, originating from mines or smelters not certified to be DRC Conflict Free through the Conflict Free Sourcing Initiative developed by EICC/GeSI or other independent third party audit program approved in writing by Isola. Supplier, will upon Isola's request, provide information on the use and sourcing of conflict minerals in Goods and the upstream supply chain of Goods in the format requested by Isola.

20. PROPER BUSINESS PRACTICES. Supplier will comply with the Electronic Industry Citizenship Coalition Code of Conduct. Supplier will act in a manner consistent with Isola's Anti-Bribery Policy and Code of Conduct, and comply with applicable laws concerning improper or illegal payments and gifts or gratuities, including the

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U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and other similar applicable state, local, or foreign laws. Further, Supplier will not pay, promise to pay, or authorize the payment of, any money or anything of value, directly or indirectly, to any person for the purpose of illegally or improperly inducing a decision, obtaining or retaining business, or foregoing any act, in connection with the Order. If Supplier, its agents, or its representatives breach this Section 20 then Isola may terminate the Order without liability of any kind and recover from Supplier any loss resulting from such termination. If the Order is so terminated, notwithstanding any other term in the Contract to the contrary, Supplier will not be entitled to any payment for any costs incurred or work performed pursuant to the Order. In addition, Supplier will provide Isola any information requested regarding the origin of minerals used in Goods, including information required pursuant to 12 U.S.C. §1502 and associated United States Securities and Exchange Commission rules.

21. **TERMINATION.** In addition to any remedies provided under these Terms, Isola may terminate the Order, in whole or in part, upon written notice: (a) for convenience and without cause at any time; or (b) if Supplier fails to perform or comply with the Contract or timely deliver conforming Goods (except for delay due to considerations beyond Supplier's control and without Supplier's fault or negligence). With regard to delivery delays due to considerations beyond Supplier's control and without Supplier's fault or negligence, then Isola may terminate the Order, in whole or in part, upon written notice if the delay exceeds 15 business days. Further, Isola may terminate the Order, in whole or in part, without written notice if Supplier becomes insolvent, files a petition for bankruptcy, or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors. If Isola terminates the Order for any reason, Supplier's sole and exclusive remedy is payment for conforming Goods received and accepted by Isola prior to the termination date.

22. **LIMIT OF LIABILITY.** Isola's maximum liability to Supplier will not exceed the greater the aggregate amount actually paid or payable under the Order.

23. **CONFIDENTIAL INFORMATION.** All Isola non-public, confidential, or proprietary information, including specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by Isola to Supplier in connection with the Order, whether disclosed orally or in written, electronic, or other form or media, and whether or not marked, designated, or otherwise identified as "confidential," is confidential and solely for use in performing the Order and may not be disclosed or copied unless authorized by Isola in writing. Upon Isola's request, Supplier will promptly return all documents and materials received from Isola. Isola will be entitled to injunctive relief for any violation of this Section 23. This Section 23 will not apply to information: (a) in the public domain; (b) known to the Supplier at the time of disclosure; or (c) rightfully obtained by the Supplier on a non-confidential basis from a third party. Notwithstanding the foregoing, these Terms are in addition to any general confidentiality agreements or obligations entered into between the parties prior to the date of the applicable Order and such agreements or obligations are not superseded by these Terms.

24. **ASSIGNMENT.** Supplier will not assign, transfer, delegate, or subcontract any of its rights or obligations under the Order without Isola's prior written consent. Any purported assignment or delegation in violation of this Section 24 will be null and void. No

assignment or delegation will relieve Supplier of its obligations hereunder.

25. **RELATIONSHIP OF THE PARTIES.** The parties are independent contractors. Nothing contained in the Order will be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party is authorized to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity will be construed from the Order.

26. **GOVERNING LAW AND JURISDICTION.** All matters arising out of or relating to the Order will be governed by and construed in accordance with the laws of the State of Arizona, excluding conflict of laws principle that would cause the laws of any jurisdiction other than the State of Arizona to apply. All international conventions relating to the international sale of goods are excluded. Any legal suit, action, or proceeding arising out of or relating to the Order will be instituted in the federal courts of the United States of America or the courts of the State of Arizona in each case located in Maricopa County, and each party irrevocably submits to the exclusive jurisdiction of such courts. **THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE THE RIGHT TO TRIAL BY JURY.**

27. **CUMULATIVE REMEDIES.** The rights and remedies under the Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

28. **NOTICES.** All notices will be in writing and addressed to the parties at the addresses set forth on the face of the Order or to such other address that may be designated by the receiving party in writing. All notices will be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in the Order, a Notice is effective only upon receipt of the receiving party and if the party giving the Notice has complied with the requirements of this Section 28.

29. **SEVERABILITY.** If any term or provision of the Order is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction.

30. **SURVIVAL.** Provisions of the Contract which by their nature should apply beyond their terms will remain in force after any termination or expiration including: Sections 8 (Quality), 11 (Price), 12 (Most Favored Customer), 14 (Continuity of Supply), 15 (Warranties), 16 (Indemnification), 18 (Compliance with Laws), 21 (Termination), 22 (Limit of Liability), 23 (Confidential Information), 24 (Assignment), 26 (Governing Law), and 30 (Survival) of these Terms.

31. **ENTIRE AGREEMENT.** The Contract constitutes the entire agreement of the parties concerning its subject matter, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, on that subject matter. No failure or delay by either party to exercise any rights or remedy arising from an Order or this Contract will constitute a waiver of such party's respective rights. Except for changes expressly permitted by this Contract, no modification of an Order or this Contract will be effective unless made in writing and signed by an authorized representative of each party.