SANDLER NONWOVEN CORPORATION
TERMS AND CONDITIONS OF SALE

§ 1 Sale of Products

(a) All shipments, services, sales and quotations between Sandler Nonwoven Corporation, ("Sandler" or "Sandler") and the purchaser named herein ("Purchaser") of Sandler’s products and services ("Products") shall be subject to these Terms and Conditions of Sale (the "Terms"). Unless expressly rejected, these Terms shall be deemed incorporated into each agreement ("Contract") between Sandler and Purchaser. Purchaser acknowledges receipt hereof and accepts the Terms. ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS CONTAINED IN ANY RESPONSE HERETO BY PURCHASER OR IN PURCHASER’S INITIAL ORDER ARE HEREBY REJECTED BY SANDLER WITHOUT NEED OF FURTHER NOTICE OF REJECTION AND SHALL BE OF NO EFFECT NOR IN ANY CIRCUMSTANCES BINDING ON SANDLER. Sandler’s acceptance of any order offered by Purchaser is EXPRESSLY MADE CONDITIONAL on Purchaser’s assent to these Terms, and under no circumstances will any terms or conditions other than these Terms apply to Sandler’s sale of the Products, except if such other terms or conditions have been expressly accepted in writing by Sandler. If Sandler does accept terms or conditions that differ from these Terms, such other terms and conditions shall apply only to the transaction at issue, and in particular not to any other past or future transactions.

(b) Sandler’s quotations are not binding on Sandler. Each order of Products shall be in writing and no order of Purchaser shall be binding on Sandler until the earlier of (i) shipment to Purchaser of Products or (ii) transmittal of a written acceptance by Sandler.

(c) Purchaser may not cancel any order after it has become binding pursuant to subsection (b) above. Sandler may cancel all accepted orders and deliveries of Products if Purchaser: (a) makes an assignment for the benefit of creditors; (b) becomes party to a voluntary or involuntary proceeding of insolvency, bankruptcy or reorganization; (c) generally becomes unable to pay its debts as they become due; (d) fails to remit payment to Sandler in accordance with the terms hereof; or under any other agreement between Sandler and Purchaser; or (e) breaches any other term, provision, or condition contained in these Terms (together with (i)-(iv), a “Material Purchaser Event”).

(d) All references in sales brochures, technical data sheets, and offers as to specifications, price and other details of the Products are approximate and shall not be binding on Sandler unless expressly agreed to in writing. Sandler may, from time to time, update and replace Products in its line. Sandler reserves the right to substitute updated Products, provided that such updated Products meet the specifications of the Products ordered by Purchaser in all material respects and are sold at the same price or less as the ordered Products.

(e) Purchaser acknowledges that Sandler’s acceptance of any purchase order is dependent on Sandler’s prior approval of Purchaser’s credit. Purchaser acknowledges that Sandler may demand assurances of Purchaser’s ability to pay by requesting such trade or banking references or a letter of credit or such other information as deemed adequate by Sandler.

§ 2 Delivery and Title

(a) Delivery of goods shall be executed based upon Incoterms® latest version agreed between purchaser and seller.

(b) If Purchaser fails to accept delivery of the Product, Sandler shall have the right to store the Product at the Purchaser’s cost and expense until such time as Sandler can sell the Product to a third party for a reasonable price.

(c) Purchaser shall indemnify Sandler for the cost of recovery and recycling of packaging of Products that Purchaser does not choose to dispose of itself. This indemnification obligation also shall apply where Sandler is under a statutory obligation to recover and/or recycle packaging.

(d) All dates of delivery set forth in an accepted order are approximate and not binding on Sandler, unless the date has been expressly confirmed as "binding" by Sandler and all prerequisites for delivery that are Purchaser’s responsibility in accordance with the Terms are met and confirmed by Purchaser upon request.

(e) If Purchaser requests any modification of the order after Sandler’s acceptance, Sandler shall have the right to extend the delivery date as reasonably needed to complete Purchaser’s changed order and to adjust the terms of sale and purchase price in Sandler’s sole discretion.

(f) Sandler reserves the right to make partial shipments. Delay in delivery of any installment shall not relieve Purchaser of its obligation to accept the remaining delivery.

(g) Notwithstanding the “Ex Works” Incoterm, Sandler retains title of ownership to the delivered goods until full payment of all claims resulting from goods deliveries as part of the entire business relationship, including subsidiary claims, claims for compensation, and the payment of checks and bills of exchange. The retention of ownership continues to apply even if individual receivables are included in a running account, and the balance has been drawn upon and acknowledged. Should Sandler accept contingent liabilities in the interest of Purchaser (i.e. checks or bills of exchange), all rights arising from the reservation of title, including rights to special forms specified in these provisions, shall remain valid until Sandler is completely released from such liabilities. Purchaser shall advise Sandler without delay of any liens that may attach to the Products as well as any damage suffered by the Products.

(h) If any Products that have been delivered to Purchaser before title has passed ("Reserved Products") are combined, mixed, or processed by Purchaser before title has passed to Purchaser, Sandler acquires co-ownership of the new movable item according to the ratio of the invoice value of Sandler’s Reserved Products to the total value of the new movable item. Purchaser is only entitled and authorized to further sell or process Reserved Goods subject to the following conditions: (i) Purchaser may sell Reserved Products only in the course of its ordinary business operations; (ii) the resulting Products remain Reserved Goods only if a Material Purchaser Event has not occurred; (ii) Purchaser hereby assigns to Sandler the claim for any payment (along with all ancillary rights arising therefrom) arising from the sale of Reserved Products in a proportion of the sale price related to Reserved Goods. Sandler may demand compensation for any loss of value or damage resulting from such nonconformity or defect or from any necessary processing, reprocessing, or subsequent processing, combining, or mixing; (iii) Purchaser is entitled to collect payments from the sale of Reserved Products only so long as a Material Purchaser Event has not occurred, and if a Material Purchaser Event has occurred Sandler is hereby authorized by Purchaser to collect claims itself.

(i) Sandler shall not be liable to Purchaser for failure to deliver to Purchaser any or all of the Products in accordance with the Contract if such failure to deliver is caused by the incorrect and/or delayed supply to Sandler of such Products (or any components thereof) by its suppliers.

§ 3 Acceptance & Product Defects

(a) Sandler shall inspect all Products immediately following arrival thereof at the destination, and shall give written notice to Sandler within twelve (12) days of any claim that the Products are nonconforming or defective, provided that a reasonable inspection should have revealed such non-conformity or defect. If Purchaser shall fail to give such notice within twelve days, Purchaser shall be deemed to have accepted the Products. Transport damages must be indicated on the delivery slip.

(b) The agreed characteristics are only those that the Sandler has expressly set out in writing. Sandler does not provide any guarantee for the quality of an item by issuing the general sales warranty protocol for the item. Complaints about defects are unacceptable after any processing of the delivered goods has begun, and the processing of any contested goods without Sandler’s consent shall exclude all liability for consequent damage. Complaints may not be based on commercially customary, slight or technically negligible deviations in terms of thickness, width, weight, quality, equipment, color, odor or design. As a weight tolerance for voluminous and needled nonwovens, the following deviations are considered to fall within the agreed limits: deviations of +/-12% for an m² weight up to and including 50 g, of +/-8% for nonwovens of 51-100 g/m², and of +/-5% for nonwovens over 100 g/m², measured against an original roll of at least 20 m² in size, or an original plate. As a measurement difference for rolls, plates and perforated blanks from voluminous and needled nonwovens, +/-3%, or at least +/-2 cm, are considered to fall within the agreed limits. For all other nonwovens (incl. spunlaced nonwovens) a grammage tolerance of +/-10% applies in accordance with ISO 9737-1. For the width of such nonwovens, a tolerance of +/-5 mm applies, measured against the roll, and for the length of the roll, a tolerance of +/-3% is agreed. The checks and tests that Sandler conducts for our products at Sandler’s premises do not apply to Products ordered from Purchaser. For the purposes of paragraph (a) of this Section, the delivered quantities are approximate quantities for which over- or under-deliveries of up to 10% are permissible. For deliveries of nonwovens, a proportion of maximum 10% short rolls with a length of at least 50% of the nominal length is acceptable. If the number of errors per roll or on a continuous piece of material or a roll does not exceed the number of errors permitted, it is considered permissible and may not be regarded as a defect. Hidden defects shall be considered accepted if they are not indicated to Sandler immediately upon discovery, or at the latest within 3 months following delivery of the goods.

(c) Complaints must be made in writing, giving the information necessary to identify the goods (invoice, delivery slip, bundle label, roll label). The reason for the complaint must be described using samples or images that show the contested goods. Contested goods may only be sent back with Sandler’s express consent. Any duly raised and proven notices of defect shall be remedied by Sandler by granting a price reduction, rework, exchange, or by taking back the goods and reimbursing the purchase price. It is the exclusive discretion of Sandler which remedy is available to Purchaser.

§ 4 Terms of Payment & Prices

(a) The basis for invoices shall be the square meter or kilo price of the purchased goods, gross for net. Invoices are issued based on the date of dispatch, and in the case of non-negotiable shipping delays, based on the date of readiness for dispatch. Unless agreed otherwise in writing, payment terms for all invoices shall be thirty (30) days net. If an invoice is not paid in full within thirty (30) days following the date of invoice, the invoice shall be deemed to be in default whether or not Sandler has reminded the Purchaser of its payment obligation. Sandler shall be entitled to charge interest on the invoice at the amount of 1% per month plus 500% per-year, or (if the amount is in a currency that has a floating interest rate) the highest rate permitted by applicable law. The payment date for compliance with the payment deadline is considered to be the date on which the purchaser or its payment office demonstrably sends the payment to Sandler; for bank transfers, the day before the goods are due to be delivered. The invoice shall be deemed to be in default if and in the event of any other remedies Sandler may have at law or in equity for such delinquency.
(b) Payments must be made in cash or by bank transfer. Bills of exchange and promissory notes are only accepted by special agreement. Seller is under no obligation to accept bills of exchange or checks. If they are accepted, they are only accepted on account of performance. The purchaser is responsible for collection and discount costs and other expenses. Payments are always applied to the oldest due debts plus the accumulated interest upon them. No contrary conditions asserted by the purchaser are considered valid. The offsetting and withdrawing of due invoiced amounts is only permissible for undisputed claims or those that have been validated by due legal process. This also applies in case of suspension of payments by Sandler. Other deductions (for example, mailing costs and bank charges) are unacceptable.

(c) Unless otherwise agreed to in writing, all prices quoted by Sandler are in U.S. Dollars. For customers located outside the U.S., all prices quoted by Sandler are exclusive of excise taxes, customs duties, and VAT.

(d) Purchaser shall have no right of offset by virtue of any claim against Sandler, unless Sandler has acknowledged the validity and amount of such claim in writing or Sandler’s claims have been confirmed by a final judgment entered by a court or arbitral tribunal.

(e) Prices for Products are subject to change without notice. Products, especially supplies and services, not covered by the Contract shall be charged at the prices on the Sandler price list in effect at the time of receipt by Sandler of the order.

§ 5 Warranty

(a) Sandler makes no warranty whatsoever with respect to the Products, express or implied, including, without limitation, any warranty of merchantability or fitness for a particular purpose, all of which are hereby expressly disclaimed.

(b) Purchaser acknowledges and agrees that if Purchaser receives non-conforming product, Purchaser’s warranty remedies are limited to the exclusive remedies of (1) return of the product and repayment of the price, or (2) the repair and replacement of non-conforming product or parts, and agrees that it shall be at the exclusive discretion of Sandler as to which remedy shall be available to Purchaser if a dispute arises.

(c) Purchaser acknowledges and agrees that the remedies provided herein are exclusive and in lieu of all other remedies and that they shall apply even if the circumstances cause them to fail of their essential purpose.

§ 6 Indemnification

Purchaser shall defend, hold harmless, and indemnify Sandler, and its parents, subsidiaries, and affiliates, and the directors, members, officers, managers, attorneys, employees, and agents of each from and against all claims asserted by third parties, including governments, for damages or other relief arising out of, or relating to, or alleging: (i) the breach of any obligation for which Purchaser is responsible under the law, the Contract, or these Terms; (ii) any negligence, gross negligence, or willful misconduct of Purchaser or its personnel; (iii) any act or omission by Purchaser that results in personal injury, death, or damage to property; or (iv) Purchaser’s infringement of intellectual property rights, including, but not limited to, copyrights, trademarks, and service marks, without Sandler’s prior written consent.

§ 7 Limitation of Liability

(a) Notwithstanding anything herein to the contrary, in all events, the liability of Sandler hereunder, whether based in tort, breach of contract, breach of warranty, or otherwise, shall not exceed the price of the product in question.

(b) Sandler shall not be liable with respect to any subject matter of any contract or of this contract under any contract, negligence, strict liability, or other theory (A) for interruption of use or cost of procurement by customer of substitute products, services, or technology; (B) for any indirect, incidental, consequential, or special damages, including, without limitation, damages from lost contracts or business; or (C) for any matter beyond its reasonable control.

(c) Purchaser acknowledges and agrees that Sandler has set its prices and entered into this Agreement in reliance upon the disclaimers of warranty and limitations of liability set forth in these Terms, that the same reflect an allocation of risk between the parties (including the risk that a contract remedy may fail its essential purpose and cause consequential loss), and that the same form an essential basis for the bargain between the parties. Purchaser also acknowledges and agrees that the limitations of liability in subsections (a) and (b) of this Section function and apply independently from the terms of the limited warranties provided by these Terms and that those limitations of liability shall apply even if the limited warranties fail of their essential purpose.

§ 8 Security Interest

Purchaser hereby grants Sandler a security interest in the Products and all proceeds thereof to secure Purchaser’s obligations to Sandler. From time to time, Sandler shall be entitled to exercise all rights and remedies available to a secured creditor under applicable law. At Sandler’s request, Purchaser agrees to execute and deliver to Sandler any and all documents necessary to perfect Sandler’s security interest, including but not limited to financing statements. Sandler’s rights and remedies shall be in addition to any other rights and remedies available to it under law. Purchaser agrees that Sandler shall have the right to appoint its own attorneys in fact for the purpose of executing all documents on Purchaser’s behalf, which are necessary to perfect and maintain Sandler’s security interest in the Products.

§ 9 Intellectual Property Rights

Purchaser may not use any of Sandler’s intellectual property rights, including, but not limited to patents, copyrights, trademarks, and service marks, without Sandler’s prior written consent.

§ 10 Arbitration

Any controversy or claim arising out of or relating to these Terms or the breach hereof, shall be submitted to and be finally resolved by binding arbitration, pursuant to the Federal Arbitration Act, 9 U.S.C. § 1, et seq., to be conducted in English by Judicial Arbitration and Mediation Services, Inc. ("JAMS"), with such arbitration to be held in Atlanta, Georgia, in accordance with JAMS’s Comprehensive Arbitration Rules and Procedures then in effect. Any civil action to enforce this arbitration clause may be brought in the United States District Court for the Northern District of Georgia (or if subject matter jurisdiction for that court is lacking, in a Georgia Superior Court located in Fulton County, Georgia), and each party consents to and waives any challenge to personal jurisdiction or venue with respect to those courts. Each party hereby irrevocably agrees that service of process, summons, notices, and other documents related to the arbitration proceedings shall be deemed served and accepted by the other party five (5) working days after having been mailed by first class registered mail, return receipt requested, postage prepaid, to the other party, or if actually received by the other party. The arbitration shall be conducted by one arbitrator, as selected by the parties under the Arbitration Rules of JAMS, except that the parties agree that they shall be entitled to conduct discovery, and third-party pre-hearing discovery, in accordance with the United States Federal Rules of Civil Procedure. Any award or decision rendered in such arbitration shall be final and binding on both parties, and arbitrator judgment may be entered therein in any court of competent jurisdiction if necessary. Except as may be provided to the contrary herein, each party shall pay its own expenses incurred in connection with such arbitration proceeding, unless the arbitrator finds that a party engaged in bad faith or fraud, in which case the arbitrator may award attorney’s fees and costs to the other party. Notwithstanding the foregoing, either party may seek injunctive relief against the other party from any court of proper jurisdiction with respect to any and all preliminary injunction or restraining procedures pertaining to this purchase order/contract or the breach thereof. The parties agree that any action or proceeding by either party pertaining to these Terms are to be governed by the laws of the State of Georgia, and that the arbitrator shall decide the dispute in accordance with the substantive laws of the State of Georgia, this arbitration clause, and whether it is enforceable, is to be governed and determined by the federal laws of the United States of America, particularly the Federal Arbitration Act, 9 U.S.C. § 1, et seq., and related federal jurisprudence.

§ 11 Export Compliance

(a) Should Purchaser sell any Product or part of any Product to any customer located outside of the U.S., the export of such item or technical information may be regulated by the Export Administration Regulations ("EAR"). At the U.S. Department of Commerce or the International Traffic In Arms Regulations ("ITAR") of the Directorate of Defense Trade Controls ("DDTC") at the U.S. Department of State. Further restrictions on sales to certain customers/offices or persons in certain countries may also be imposed by the U.S. Treasury Department’s Office of Foreign Assets Control and other U.S. government agencies. Purchaser is responsible for obtaining any needed export license from BIS or DDTC, registering with DDTC, and for otherwise complying with any applicable U.S. law and regulation.

(b) Purchaser is required to notify Sandler of any such sale within one year of the date of the original sale, which notification shall include the name of the ultimate consignee/purchaser (end user) and the end use upon re-sale.

(c) Purchaser is required to notify Sandler should its export privileges be suspended or revoked in whole or in part by any U.S. Government entity or agency. Purchaser agrees to notify Sandler if any of Purchaser’s employees which may need to physically visit Sandler’s U.S. premises are not U.S. citizens, permanent residents, or protected persons under 8 U.S.C. § 1324a(a)(3).

§ 12 Limitation Period

Any warranty claims and claims for damages based on actual or alleged defects of the Products shall be subject to the applicable statutory limitation period or to a limitation period of one year after the cause of action accrued, whichever is shorter.
§ 13 Subcontractors

Sandler may make use of subcontractors to perform any of its obligations under the Contract, provided that the use of any such subcontractors shall not limit or restrict Sandler's obligations to Purchaser.

§ 14 Miscellaneous

(a) Notwithstanding anything to the contrary, Sandler shall not be liable for any delay or failure to perform hereunder when such failure or delay is, directly or indirectly, caused by, or in any manner arises from fire, floods, accidents, civil unrest, acts of God, war, terrorism, governmental interference, embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials or supplies, breakage of machinery or apparatus, transportation delays, or any other cause or causes (whether or not similar in nature to any of those hereinbefore specified) beyond Sandler's control. In the case of a delay caused by any such disruption, the delivery date shall be extended for the period of such disruption. If the disruption persists for over two months, either party is entitled to withdraw from the contract with regard to the quantity to which the disruption relates, to the exclusion of all other claims.

(b) Purchaser's failure to initial any clause hereof, shall have no effect on the enforceability of said clause.

(c) Purchaser shall not assign this contract—except for claims for payment—without the express prior written consent of Sandler.

(d) Except as otherwise expressly provided herein or in a written document signed by Sandler and Purchaser, the Terms, Contract, and attachments and exhibits thereto constitute the entire agreement between Sandler and Purchaser with respect to the subject matter herein contained and supersede all prior agreements and communications between Sandler and Purchaser, whether oral or written.

(e) Amendments to these Terms or any recurrent fees may be made by Sandler unilaterally with proactive effect during the life of the Contract as follows: Sandler shall be entitled to amend these Terms or any recurrent fees by unilateral notice with proactive effect, observing three months' notice with the effect to the end of an agreed minimum contract term or any other date on which Sandler could alternatively terminate the Contract in accordance with its terms. In such case the Purchaser shall have the right to withdraw from the Contract by unilateral notice, observing one month notice with effect to the effective date of the proposed amendment. Where Purchaser does not exercise this right, the amendment shall become effective. The amendment shall apply to future supplies and services under Contracts providing for continuous or recurrent performance such as support contracts or limited-term licenses only, pre-existing perpetual licenses shall not be affected by such amendment.

(f) No modification, limitation, waiver or discharge of this Contract or of any of its terms shall bind Sandler unless in writing and signed by a duly authorized employee of Sandler.

(g) The failure of Sandler to insist, in one or more instances, on performance by Purchaser in strict compliance with the terms and conditions hereof shall not be deemed a waiver or relinquishment of any right granted hereunder with respect to any succeeding breach of the same or other provision hereof.

(h) Each Party shall deliver all notices required hereunder by personal delivery, nationally recognized overnight courier (with all fees prepaid), facsimile or e-mail of a PDF document (with confirmation of receipt), or certified or registered mail (in each case, return receipt requested, postage prepaid) to the address set forth on the signature page hereto, or such other address as a party may hereafter specify with respect to itself by notice given in accordance with these Terms. To be effective, any notice sent by facsimile or e-mail must be promptly followed by delivery of a physical copy of such notice, in a manner permitted by the preceding sentence.

(i) The Contract shall be governed by, and construed, interpreted and enforced under the laws of the State of Georgia without giving effect to conflict of laws principles, provided, however, that all aspects relating to arbitration hereunder shall be governed by the federal laws of the United States of America. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

(j) In case any conditions of this Contract should be or become unenforceable under applicable law, the remaining provisions, stipulations, and conditions of this Contract shall not be affected thereby.

§ 15 Execution in Counterparts

Although not necessary to become binding, these Terms may be acknowledged and executed in counterparts. Each counterpart will be considered an original, and all of them, taken together, will constitute a single agreement. Facsimile or PDF signatures will be deemed original signatures for all purposes under this agreement. Neither these Terms, nor any amended or modified by them may be executed by means of an electronic signature. When properly signed, these Terms may be delivered by facsimile or electronically, and any such delivery will have the same effect as physical delivery of a signed original.

Seller:

Sandler Nonwoven Corporation

By: ______________________________

Name: __________________________

Title: ____________________________

Date: ____________________________

Address: _________________________

________________________________________

Purchaser:

By: ______________________________

Name: __________________________

Title: ____________________________

Date: ____________________________

Address: _________________________

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