

## XERIUM TECHNOLOGIES TERMS AND CONDITIONS OF SALE - PAPER MACHINE CLOTHING

- BUYER'S ASSENT TO TERMS AND CONDITIONS** (a) Buyer acknowledges and agrees that these terms and conditions govern the sale of the goods and/or services (the "Goods") to Buyer as described on the attached quotation. (b) Seller hereby objects to and rejects any and all different or additional terms or conditions contained in any order submitted to Seller by or on behalf of Buyer unless specifically agreed to in a writing signed by an officer of Seller. Under no other circumstances are any such different or additional terms to be considered a part of this agreement. Notwithstanding the foregoing, in the event that Buyer and Seller have executed a master purchase or supply contract ("Master Agreement"), which contract is expressly to supersede all purchase orders and quotations, the terms of such Master Agreement shall govern Buyer's purchase of the Goods.
- PRICES** If no price is set forth on the attached quotation for the Goods, the prices shall be as in effect at the time of invoicing. Any prices quoted on the attached quotation remain in effect for thirty (30) days from the date of the quotation. Seller reserves the right to revise the quoted prices if the quotation is not accepted by Buyer within such thirty (30) day period. Any prices set forth on the quotation are based on the specifications outlined in the quotation and Seller reserves the right to revise the prices if the specifications are modified or were incorrectly supplied by Buyer. Further, upon notice to Buyer, Seller may revise the prices set forth on the quotation in the event that: (i) the delivery date requested by Buyer is more than ninety (90) days from the date of purchase order; (ii) Seller is unable to deliver the Goods within ninety (90) days from the purchase order date due to an event of force majeure; (iii) Seller's prices on third party materials, equipment or services which are part of the quotation are increased after the date of the quotation; (iv) or any governmental authority imposes or increases any tax, duty or other charges on the Goods after the date of the quotation.
- PAYMENT** Payment for the Goods shall be net thirty (30) days unless otherwise specified. Interest shall be paid on demand on past due amounts at the rate of one and a half percent (1-1/2%) per month or the highest lawful rate, whichever is less. Buyer agrees to pay all costs incurred by Seller, including reasonable attorneys' fees, associated with the recovery of any past-due payments owed by Buyer to Seller. All payments shall be made in U.S. dollars.
- DELIVERY AND RISK OF LOSS** (a) (i) Stowe Woodward/roll covers: All sales are F.O.B. Seller's plant ("Seller's Plant"). The quoted price for the Goods does not include charges for freight, packaging, insurance, or federal, state or municipal taxes, all of which shall be paid by Buyer, unless otherwise specified. Delivery of the goods by Seller to a carrier at Seller's Plant shall constitute tender of delivery to Buyer for all purposes. All risk of loss and title with respect to the goods shall pass to Buyer at the time of shipment from Seller's Plant. (ii) Weavexx/paper machine clothing: All sales are F.O.B. Buyer's facility (or other designated delivery point). Delivery of the Goods by Seller to Buyer's Facility (or other designated delivery point) shall constitute tender of delivery to Buyer for all purposes and all risk of loss and title with respect to the Goods shall pass to Buyer at the time of delivery to Buyer. (b) Prices are based on shipping the entire order at one time. (c) All shipping dates are estimates and do not guarantee a particular date of shipment. (d) Seller may ship the goods to Buyer's address as shown the face hereof ("the shipping address") by any commercially reasonable means and may select the carrier and route.
- STORAGE FEES Stowe Woodward/rolls:** Upon completion of the services and availability of the Goods, Seller will notify Buyer as to the availability of the Goods, and Buyer will arrange for its preferred carrier (which shall be reasonably acceptable to Seller) to collect the Goods for delivery to Buyer. Seller reserves the right to charge a storage fee of \$100 per day for any Goods not collected by Buyer within ten (10) days of notice of availability of such Goods.
- CONSIGNED GOODS/Weavexx** Notwithstanding anything to the contrary herein, to the extent that the parties elect to manage some or all of Buyer's purchase and receipt of Goods through consignment (the "Consigned Goods"). All such Consigned Goods shall be governed by and subject to Seller's standard form of Consignment Agreement which is attached hereto as Exhibit A and which shall be executed between the parties. All such Consigned Goods shall remain the property of Seller and Buyer agrees to keep such Consigned Goods separate and segregated from other inventories of like or similar goods until the earlier of (i) installation and use of such Consigned Goods and (ii) the Title Transfer Date (as defined in Seller's standard form of Consignment Agreement).
- EVALUATION SAMPLES, SPECIFICATIONS, DIES, MOLDS AND TOOLS** Seller is not required to supply Buyer with models, preproduction or evaluation samples ("Samples") or test data of any kind. In any case where Seller does provide Buyer with Samples, whether or not pursuant to designs or specifications provided by Buyer, Buyer shall examine the Samples fully. Without limiting any other provision of the agreement, Buyer shall be solely responsible for establishing that Samples and Goods are suitable for Buyer's projected use and any other use, commercial or otherwise, to which the Samples and goods may be applied. Such Samples shall not be offered for sale, sold or provided to, or incorporated into, attached to or enclosed within any device, material, product or thing, that is subsequently offered for sale to or consumption or use by any third parties or the general public. All Samples and test data shall be the confidential information of Seller and are provided "AS IS" without warranty of any kind. All specifications are approximate. All dies, molds and tools used to manufacture the Goods remain the property of Seller. Unless otherwise agreed in writing, all right, title and interest in and to Samples and test data remain the property of Seller.
- INSPECTION AND ACCEPTANCE; RETURNED GOODS** Buyer at its expense shall inspect the goods immediately upon receipt at the shipping address and within thirty (30) days of such receipt, shall give Seller a full and final written statement of all purported non-conformances and defects. If Buyer fails to give such written notice within such thirty (30) day period, Buyer shall be deemed to have irrevocably accepted and purchased the goods. Notwithstanding the foregoing, if Buyer uses or installs for use any Goods for any purpose (other than acceptance testing), such Goods shall be deemed accepted. Goods may not be returned and will not be accepted for return by Seller, without prior written approval of Seller.
- FORCE MAJEURE; ADJUSTMENTS** If performance by Seller is prevented, delayed or made impracticable or burdensome by any cause beyond Seller's control, including, without limitation, acts of God, fire, flood, explosion, vandalism, sabotage, riot, insurrection, severe weather, curtailment or termination of Seller's regular sources of supplies, inability to obtain or a delay in obtaining licenses, permits, materials or equipment, acts or omissions or Buyer, its agents or representatives, shipping delays, strikes or other disputes involving Seller to its subcontractors or suppliers or any existing or future laws or acts of any government or regulatory body, then (I) Seller shall be excused from performance to the extent that and for so long as such performance is delayed or made impracticable or burdensome by such cause, and (II) Seller may adjust the price of the goods. In the event that Seller is wholly or partially unable to perform because of any force majeure event, Seller may terminate the order, in part or in whole, without liability to Buyer.
- CANCELLATION; STOP WORK** (a) Orders are non-cancelable and Buyer shall not be relieved from any obligation under this agreement without the prior written consent of Seller. (b) In the event of Buyer's default hereunder, Seller has the right to immediately cancel the order, stop work, refuse to ship or stop delivery of any Goods, recover any losses or damages incurred by Seller as a result thereof, as well as seek any other remedy provided by law. Buyer's default means (I) Buyer's insolvency or the filing or institution of a proceeding under any bankruptcy, reorganization or similar law, by or against Buyer, (II) an assignment for the benefit of creditors by Buyer, (III) the appointment of a receiver, trustee or custodian for any of the property or assets of Buyer, and (IV) Buyer's otherwise being in default of any obligation to Seller hereunder or otherwise. (c) By submitting an order to Seller, Buyer warrants, represents and covenants that it is solvent now and will be solvent at shipment and agrees to notify Seller immediately in writing upon the occurrence of any of the events set forth in the foregoing section 8 (b).
- LIMITED WARRANTY** Seller warrants the Goods to be free from defects in materials manufactured by Seller and in Seller's workmanship for a period of one (1) year after tender of delivery (the "Warranty Period"). THIS LIMITED WARRANTY (a) IS IN LIEU OF, AND SELLER DISCLAIMS AND EXCLUDES, ALL OTHER WARRANTIES WITH RESPECT TO ANY OF THE GOODS, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES; (b) does not apply to any Goods which have been (I) repaired, altered or improperly installed, (II) subjected to improper use or storage, (III) used or incorporated with other materials or equipment, after Buyer or anyone using the Goods has, or reasonably should have, knowledge of any defect or nonconformance of the Goods; or (IV) manufactured, fabricated or assembled by anyone other than Seller; (c) shall not be effective unless Buyer notifies Seller in writing of any purported defect or nonconformance within thirty (30) days after Buyer discovers or should have reasonably discovered such purported defect or nonconformance, and (d) shall only extend to Buyer and not to any subsequent buyers or users of the Goods. Buyer shall provide Seller access to the Goods as to which Buyer claims a purported defect or nonconformance. Upon request by Seller, Buyer shall, at its own risk and expense, promptly return the Goods in question to Seller's Plant.
- BUYER'S REMEDIES** Seller's liability for any breach of the limited warranty set forth in Section 9 is limited to either (I) repair or replacement of any nonconforming components of the Goods, or (II) upon return of the nonconforming Goods, return of the amount paid therefore, whichever Seller shall elect. Seller's liability shall in no event be greater than the price of the affected Goods and shall not include any labor, shipping or other costs incurred in connection with any such repair, replacement, reinstallation or reshipment. Any nonconforming Goods returned to Seller must be accompanied by proof of purchase and the transportation of the Goods must be prepaid. Any Goods that are repaired or replaced by Seller shall be redelivered to Buyer F.O.B. Seller's Plant and shall be warranted, subject to the terms hereof, until the expiration of the original Warranty Period. Notwithstanding the foregoing, Seller shall have no warranty obligations unless and until Buyer performs all its obligations hereunder, including payment in full of the purchase price. THE REMEDY SET FORTH IN THIS PARAGRAPH SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST SELLER AND BUYER WAIVES ALL OTHER REMEDIES AGAINST SELLER.
- INDEMNIFICATION** Buyer shall defend, indemnify and hold harmless Seller and its shareholders, directors, officers, affiliates, predecessors, successors and assigns, from and against any and all claims, actions, causes of action, liabilities, liens, losses and costs (including, without limitation, the costs of litigation and attorneys' fees), relating to or directly or indirectly arising from: (1) any work or operations performed by Seller or Seller's personnel on the Buyer's property, and (2) the Goods or any device, material or thing to which the Goods are attached or of which the Goods are made a part of within which the Goods are enclosed, regardless of whether Seller may be wholly, concurrently, partially, jointly or solely negligent or otherwise at fault.
- LIMITATION OF LIABILITY IN GENERAL EXCEPT AS PROVIDED HEREIN AND TO THE EXTENT PERMISSIBLE UNDER APPLICABLE LAW, IN NO EVENT WHATSOEVER SHALL SELLER OR ANY OF ITS SHAREHOLDERS, DIRECTORS, OFFICERS, AFFILIATES, PREDECESSORS, SUCCESSORS AND ASSIGNS BE LIABLE TO BUYER OR ANY OF ITS SHAREHOLDERS, DIRECTORS, OFFICERS, AFFILIATES, PREDECESSORS, SUCCESSORS AND ASSIGNS, FOR ANY LOSS OR DAMAGES OF ANY KIND, WHETHER DIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL OR OTHERWISE RELATING IN ANY WAY TO THIS AGREEMENT OR ACTS OR OMISSIONS IN CONNECTION HERewith (INCLUDING, WITHOUT LIMITATION, THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT AND THE USE OF OR THE LOSS OF USE OF ANY OF THE GOODS OR OTHER PROPERTY), REGARDLESS OF WHETHER SELLER IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES OR WHETHER SELLER AND/OR OTHERS MAY BE WHOLLY, CONCURRENTLY, PARTIALLY, JOINTLY OR SOLELY NEGLIGENT OR OTHERWISE AT FAULT.**
- LIMITATION ON ACTION, WAIVER** (a) Any action by Buyer relating to the quotation, these terms or the Goods must be commenced not later than one (1) year after tender of delivery of the Goods. If Buyer fails to commence any such action within such one (1) year, the action shall be deemed barred and Seller shall have no liability whatsoever to Buyer. (b) No Failure of Seller to require strict performance by Buyer of these terms shall waive, affect or diminish any right of Seller to demand strict performance of these terms thereafter. The rights and remedies herein reserved to Seller shall be cumulative and in addition to any other rights and remedies provided by law.
- GOVERNING LAW; CONSENT TO JURISDICTION** This Agreement shall be deemed to have been made under, and shall be construed and interpreted in accordance with, the substantive laws of the State of North Carolina, without regard to any choice of law rules or principles. Buyer hereby submits to the jurisdiction of the state and federal courts for the State of North Carolina, county of Wake and said courts shall have exclusive jurisdiction and venue to adjudicate the rights and obligations of the parties relating in any manner to this Agreement.
- SEVERABILITY** If any provisions of this Agreement are held by any court to be invalid or unenforceable, such provision shall be deemed to be modified or deleted, but only to the extent necessary to enable that and the remaining provisions of this Agreement to be valid and enforceable.
- NO ASSIGNMENT** Buyer may not assign any rights or obligations under this Agreement without prior written consent of Seller.
- SECURITY INTEREST; COSTS OF COLLECTION** To secure all of Buyer's obligations to Seller, Buyer grants Seller a security interest in all goods purchased from Seller, together with all proceeds and products thereof (the "Collateral"). Buyer agrees not to permit any liens to attach to or dispose of (other than in the ordinary course of business), any of the Collateral prior to satisfaction of all its obligations to Seller and Buyer agrees not to permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this agreement. Buyer shall upon request of Seller, and Seller is irrevocably appointed (which appointment is coupled with an interest) Buyer's attorney-in-fact to do all acts and things, including the execution and filing of financing statement, or the filing of this agreement as a financing statement, that Seller may deem necessary to perfect the security interest created by this agreement and to protect the Collateral. Buyer will pay as part of the debt hereby secured, all amounts, including reasonable attorneys' fees, incurred by Seller (I) to maintain, repair and otherwise protect the value of the Collateral, and (II) in taking possession of, disposing of or preserving the Collateral after any default of any of Buyer's obligations to Seller.
- ENTIRE AGREEMENT** Buyer acknowledges that it has read and understands these standard Terms and Conditions of Sale and agrees to be bound by them and that it, along with the quotation, is the complete and exclusive statement of the agreement between the parties and expressly supersedes all proposals, oral or written, and all other communications between the parties with respect to the subject matter hereof, except for the quantity of Goods purchased, date of delivery and place of delivery which shall be shown on Buyer's purchase order. No representative, distributor, sales person or agent of Seller is authorized to modify these terms or make any warranties, representations or promises that are different from or in addition to, the warranties, representations and promises set forth herein.