

QUADION LLC SUPPLIER TERMS AND CONDITIONS

1. TERMS OF PURCHASE. These terms and conditions of purchase (this "Agreement") exclusively govern the purchase of all components, parts, accessories, products and/or services (the "Products") sold by seller ("Seller") to Quadion LLC, a Delaware limited liability company ("Quadion"), under the purchase order or another agreement between the parties (such purchase order or agreement, "PO"). Whether this form is deemed an offer, an acceptance or a confirmation, Quadion expressly conditions its purchase of Products on Seller's assent to these terms, notwithstanding any difference, additions or conflicting terms contained in the terms proposed by Seller. Subject to the execution of any additional agreements by the parties (including, but not limited to, a Manufacture and Purchase Agreement), this Agreement together with the PO is the entire supply agreement between Quadion and the Seller. No modifications or additions to the terms set out in this Agreement that Seller may offer shall be valid unless in writing and signed by an authorized representative of Quadion and Seller. Seller is an independent contractor and under no circumstances may Seller represent itself as an agent for Quadion.

2. ACCEPTANCE OF TERMS AND CONDITIONS OF PURCHASE ORDER. The PO and this Agreement constitutes Quadion's offer to purchase Products from Seller and shall become a binding agreement upon acceptance by Seller. Seller's acceptance shall be indicated by either: (a) Seller's signing and returning the acknowledgment copy of the PO; or (b) Seller's commencement of services or delivery of Products, either in whole or in part.

3. QUADION DESIGNED ARTICLES; QUALITY. All components and materials incorporated in the Products delivered under this Agreement shall be in conformity with applicable drawings, specifications and requirements provided by Quadion with respect thereto (the "Specifications"). Seller shall not furnish or deliver to any person other than Quadion or its designee(s) any article which is manufactured based on the Specifications. Seller shall maintain test data to substantiate compliance with the foregoing, and Seller's manufacturing processes and inspection system shall be subject to on-site review and verification by Quadion's representatives upon reasonable notice and during normal business hours.

4. CANCELLATION OF PURCHASE ORDER. Quadion shall have the right, at its option, to modify or cancel the PO or this Agreement or any part thereof, to refuse delivery of any Product(s) and to return to, or hold for the account of Seller, any Product(s) already received by Quadion: (a) upon Seller's failure to make any delivery in accordance with the terms of the PO or to comply with shipping and other instructions provided by Quadion; (b) in the event that any Products supplied by Seller: (i) do not meet the Specifications; (ii) are defective; (iii) do not conform with the warranties set forth in Section 7, or (iv) are not satisfactory to Quadion in its reasonable discretion; (c) on account of any unforeseeable cause beyond the control of Quadion, including any act or demand of the United States or any state or local government body, act of God or of the public enemy, fire, flood, epidemic, quarantine restriction, strike, embargo, failure of usual means of transportation and any other case which in the judgment of Quadion may adversely affect the manufacture or sale of any product by Quadion; or (d) in the event any institution of proceedings by or against Seller in bankruptcy or insolvency, or under any provision of the United States Bankruptcy Act, or for the appointment of a receiver or trustee or an assigned for the benefit of creditors of Seller.

5. SHIPMENTS. Unless otherwise stated on the face of the PO, all risk of loss shall be upon Seller until such time as the Products ordered shall be delivered to the final destination specified in the PO and are accepted by Quadion. Products must be shipped to Quadion at the time and place and in the manner indicated on the PO. Products must be packed to prevent damage to the Products, conform to the requirements of the carriers and, solely with respect to shipments from outside the United States, packed for export as light as possible and with the smallest cubical bulk consistent with safe carriage by ocean vessel, railroad or otherwise (as the case may be). Seller shall be responsible for any charge for packing, crating, drayage or storage of the Product unless otherwise agreed upon in writing by the parties. An itemized packing slip bearing Quadion's PO number as shown therein must accompany each delivery and each container must be marked to show Quadion's PO number. Quadion's count shall be accepted as conclusive on shipments not accompanied by a packing slip. After shipment of the Products, Seller shall promptly submit a separate invoice to Quadion at the address indicated under the "Bill To" section on the PO.

6. PRICE; DISCOUNTS; PAYMENT; TAXES. Products shall be supplied at the lowest price last charged by Seller for similar quantity, and shall not exceed current prices quoted or charged to any other customer of Seller for similar items and quantity. In the event that the price for any Products decreases prior to the time of shipment, delivery or acceptance of the Products by Quadion the price included in the applicable PO shall be reduced accordingly. Quadion's standard payment terms are 2% 20 net 60 of the date of Seller's invoice. The price of the Products sold hereunder shall not be due and payable until delivery and acceptance of the

Products. Seller shall separately state on all invoices and confirmations the applicable sales taxes imposed by federal, state or local governments, unless an exemption is available.

7. WARRANTIES; COMPLIANCE WITH LAWS; BUSINESS CONDUCT. Seller expressly warrants that (a) it has the right, power and authority to enter into this Agreement, (b) the execution and delivery of this Agreement by Seller has been duly authorized, (c) all Products provided pursuant to a PO shall: (i) be merchantable; (ii) be free from defects in material and workmanship; (iii) be in conformance with the Specifications, (iv) if such Products or any component thereof is manufactured or assembled to Seller's design, such Products or component shall be free from design defects and not infringe on any third party's intellectual property rights, and (v) have been manufactured in compliance with applicable laws and regulations, including, without limitation, the U.S. Food, Drug and Cosmetic Act and Occupational Safety and Health Standards Act, and the Fair Labor Standards Act, and (d) it has good title to the Products and that the Products are free and clear from all liens and encumbrances. These warranties shall survive delivery, inspection acceptance and payment of the Product. If any Products do not conform with the warranties set forth above, Quadion shall deliver written notice and a brief description of such non-conformance. Promptly following receipt of such notice, at Quadion's sole election, Seller shall either replace such defective Products or refund to Quadion the purchase price of such Products. Quadion's right to replacement or refund under this Section shall not limit Seller's liability for any other damages arising from a Product's failure to conform to the warranties set forth above, including, without limitation, any non-recoverable costs as a result of such non-conforming Products.

8. GOVERNMENT CONTRACTS. If the PO is issued pursuant to a contract with the United States Government, or any agency thereof (each a, "Government Entity"), and such fact is communicated to Seller on the PO or otherwise, then: (a) Seller shall allow access to any representative of such Government Entity to Seller's plants, materials and processes, and relevant books and records; (b) Seller acknowledges and agrees that all materials and workmanship is subject to inspection by the applicable Government Entities, and such Government Entities, as well as Quadion, have the right to reject any Products found to be non-conforming or defective; and (c) Seller shall not discriminate against any employee or applicant because of race, creed, color, national origin or sex and shall include a similar clause in its subcontracts (to the extent permitted by this Agreement or the PO) in performing work under the PO or this Agreement. The following are hereby incorporated by reference and made a part of this Agreement as is fully set forth herein: (a) the provisions of the Equal Opportunity clause set forth in 41 CFR 60-1.4(a) pursuant to the requirements of Executive Order 11246; (b) applicable contractual requirements of the Rehabilitation Act of 1973 as set forth in 41 CFR 60-741.4; (c) applicable contractual requirements of the Vietnam Era Veterans Readjustment Assistance Act of 1974 as set forth in 41 CFR 60-250.4; (d) applicable contractual provisions of Public Law 95-507 concerning the utilization and employment of Small Business, Small Disadvantaged Business and Women-Owned Business Concerns; and (e) any law, order or regulatory provision issued in addition, supplement or replacement of the foregoing concerning federal contractors.

9. CODE OF ETHICS. Quadion maintains a Business Ethics and Standards of Conduct policy ("Code of Ethics") and a process to report unethical or unlawful conduct. If Seller has cause to believe that Quadion or any of its affiliates, employees or agents have behaved in a manner that violates Code of Ethics, Seller is strongly encouraged to report such behavior to Quadion. Quadion expects that Seller shall also conduct its business ethically and lawfully and Seller is encouraged to adopt its own code of ethics.

10. SUBSTANCE REGULATIONS. All substances used by Seller in the Product(s) or manufacture thereof shall conform to applicable legal requirements, including, without limitation, the following: (a) the Registration, Evaluation, Authorization and Restriction of Chemicals—Regulation EC 1907/2007 (REACH); (b) EU 2002/95/EC (27 January 2003), as last amended by Commission Decision 2010/571/EU of 24 September 2010, on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS); (c) any national legislation adopted by a member country of the European Union to implement REACH or RoHS; (d) Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111–203, 124 Stat. 1376 (July 21, 2010); (e) California Proposition 65, codified at Cal. Health & Safety Code §§ 25249.5 – 25249.13; (f) any administrative regulations promulgated under the Conflicts Minerals Rules or California Prop 65; and (g) any other regulation of any jurisdiction where Quadion does business that prohibits, limits, or requires the disclosure of materials, substances or components that are used in or constitute part of any Products.

11. INSURANCE. Seller shall maintain and carry liability insurance in an amount no less than the greater of (a) the minimum amount required by applicable law, or (b) the following coverages: commercial general liability (including product liability and, for services to be performed, completed operations liability) in a sum no less than \$5 million, automobile liability in a sum no less than \$5 million, workers' compensation in an amount no less than the applicable statutory minimum requirement, and employer's liability in an amount of no less than \$5 million, all with insurance carriers with an AM Best's rating of no less than A-VII or equivalent. Prior to commencing performance under the PO, Seller shall furnish valid Certificates of Insurance to Quadion

evidencing the insurance required herein. Each Certificate of Insurance shall provide that 30 days' prior written notice must be given to Quadion in the event of cancellation or material change of insurance coverage and must contain the following endorsements: (x) Quadion is named as an additional insured on each of the liability insurance policies except Worker's Compensation; (y) the insurance carrier extends the coverage to include the contractual liability of Seller arising by reason of the indemnity provisions of this Agreement; and (z) the insurance carrier waives all rights of subrogation against Quadion. Any requirement for minimum insurance limits herein in no way limits Quadion's right to pursue claims or suits in excess of these limits and does not supercede contractual obligations that may have higher limits in other contracts. Quadion acknowledges that the certificate may not provide for notice of cancellation or material change from the insurer. However, to the extent that notice from the insurer is not available, Seller is required to notify Quadion of cancellation or material change within two days of receipt of any notice of cancellation or material change in limits or coverage. If Seller fails to provide the certificates during such thirty (30) day cure period, Quadion may, at its option, immediately cancel the PO.

12. INDEMNIFICATION. Seller shall indemnify, defend, and hold harmless Quadion, its affiliates, managers, officers, employees and agents from and against any and all suits, claims, demands, losses, damages, costs and expenses of any nature whatsoever, including without limitation litigation expenses, attorney's fees and liabilities incurred in connection therewith arising out of: (a) injury to, or death of, any person whatsoever or damage to property of any kind by whomever owned, caused in whole or in part by the acts or omissions of Seller, any of its members, employees, agents or other persons directly or indirectly employed by, engaged by, or associated with Seller; or (b) any breach by Seller of a representation, warranty or covenant contained in this Agreement or PO.

13. CONFIDENTIAL INFORMATION AND PUBLICITY. Seller agrees to hold in strict confidence any Confidential Information (as defined below) and to make no use of such Confidential Information other than that authorized by Quadion. Advertising and promotional material (including the use of Quadion's name as a customer of Seller) must be approved by Quadion in writing prior to release.

14. OWNERSHIP. Seller agrees to assign and hereby does assign to Quadion all right, title and interest to any Intellectual Property (as defined below) created in the performance of this Agreement or that is a derivative work of Quadion's Confidential Information or that in anyway includes any of Quadion's Confidential Information. If applicable, Quadion shall have the right to register such Intellectual Property in the United States and all other countries. Seller shall provide Quadion with reasonable assistance in perfecting such rights including, but not limited to, obtaining the signatures of its employees, agents or consultants on such documents as Quadion reasonably requires. For purposes of this Agreement, (a) "Confidential Information" means any non-public information, including, without limitation, (i) design, specification, idea, concept, plan, copy, formula, drawing, procedure, business process, organizational data, financial or budget information, customer or supplier lists, (ii) all technical and manufacturing information and know-how in the form of data, drawings, designs, concepts, specifications, performance testing and validation data, relating to the manufacture or supply of the Products, including those specifications that have been customized to Quadion's requirements, and/or any other commercial information relating to Quadion's business, or (iii) other business or technical information held confidential or considered proprietary whether oral, written, or viewed by inspection, that is obtained as a result of services rendered by Seller to Quadion in connection with this Agreement and the PO, and (b) "Intellectual Property" means design and manufacturing specifications, technical information, know-how, ideas, concepts, processes, procedure, designs, schematics, works of authorship, inventions, software, discoveries, and all intellectual property rights worldwide arising under statutory or common law or by contract and whether or not perfected, pending, now existing or hereafter filed, issued or acquired, including all patent and invention rights; rights associated with works of authorship including copyrights and mask work rights; rights relating to registered or unregistered designs, trademarks, service marks, brand names, domain names, trading styles and get up; rights relating to the protection of trade secrets and confidential information; any rights relating to other industrial or intellectual property rights; and any right analogous to those set forth herein.

15. MATERIALS FURNISHED BY QUADION. Any artwork, negatives, positives, proofs, engravings, dies, tools, molds, and any other material or equipment provided and/or paid for by Quadion that may be used for or in connection with the production of any Products (the "Materials") pursuant to the PO or this Agreement: (a) shall be and remain the sole and exclusive property of Quadion; and (b) shall only be used in connection with Quadion's work and shall be held by Seller and promptly returned to Quadion by Seller in accordance with the instructions of Quadion. Except for ordinary wear and tear, if applicable, Seller shall replace or restore to original, usable condition, free of any cost or expense to Quadion, the Materials which shall be destroyed or become deteriorated or otherwise unusable for or on account of any act or omission of Seller contrary to the provisions thereof. Seller shall not allow any lien or encumbrance to be placed on the Materials, shall not pledge or offer the materials as security for any obligation of Seller, shall affirmatively exclude the Materials

from any security offered by Seller to its lenders or other creditors, shall not allow the Materials to become fixtures, and shall place on the Materials any sign or notice Quadion requests to identify the Materials as Quadion's property. Seller acknowledges and agrees that Quadion may file a financing statement or other documentation to publicly record its ownership of Materials, and Seller shall cooperate with Quadion as reasonably necessary in connection therewith.

16. EXPORT CONTROL. Seller shall promptly provide Quadion with such information as Quadion may reasonably require to enable Quadion to comply fully with all relevant export control regulations. Such information shall include but not be limited to the US Export Commerce Control Number.

17. DELAYS; TIME IS OF THE ESSENCE. Whenever Seller has knowledge that any actual or potential labor dispute or other problem is delaying or threatens to delay the timely performance of the PO or this Agreement, Seller shall immediately give notice thereof to Quadion, including all relevant information with respect thereto. The parties acknowledge and agree that time is of the essence.

18. WAIVER. No failure by either party to enforce at any time for any period the provisions hereof shall be construed as a waiver of such provision or of the right of such party to enforce thereafter each and every provision.

19. SEVERABILITY. In the event any provision herein is determined to be illegal, invalid, or unenforceable, the validity and enforceability of the remaining provisions shall not be affected.

20. ASSIGNMENT. Seller shall not assign, convey, encumber, or otherwise dispose of the PO or this Agreement or any rights hereunder or thereunder (whether such assignment is structured as a merger, change in control or asset sale) or delegate or subcontract any obligations hereunder without the prior express written consent of Quadion. This Agreement shall be binding upon the heirs, successors, and/or legal representatives of the parties. Any and all rights, benefits and privileges under this Agreement including, without limitation, the benefit of any and all warranties, shall inure to the benefit of any parent, subsidiary or other affiliated corporation of Quadion to whom the Products, or any part thereof, shall be delivered or furnished or transferred, whether such delivery, furnishing or transfer shall be accomplished by Seller or Quadion or otherwise.

21. ENFORCEMENT. In the event Quadion takes or maintains any action to enforce its rights hereunder and prevails and/or obtains a successful result thereafter, Seller shall reimburse Quadion for its reasonable costs and expenses incurred, including, without limitation, reasonable attorneys' fees.

22. GOVERNING LAW; VENUE. The laws of the State of Minnesota shall govern this Agreement without regard to principles of conflicts of law. Any action brought to enforce any provision of this Agreement shall be brought solely in a court of competent jurisdiction sitting in Minnesota, and the parties hereby consent to the jurisdiction of such courts.