PURCHASE ORDER TERMS AND CONDITIONS

- **1. PRODUCTS AND SERVICES.** Provider shall perform the services (the "*Services*") and/or sell to Tonoga, Inc. dba Taconic the products (the "*Products*") described in the purchase order related hereto (the "*Purchase Order*").
- 2. APPLICABILITY. The Purchase Order, together herewith and any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Products and Services, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Purchase Order. The Purchase Order expressly limits Provider's acceptance to these Terms and Conditions and other provisions of the Purchase Order. These Terms and Conditions prevail over any terms or conditions contained in any other documentation and expressly exclude any of Provider's general terms and conditions of sale or any other document issued by Provider in connection with the Purchase Order. These Terms and Conditions apply to any repaired or replacement Products provided by Provider under the Purchase Order. Taconic is not obligated to any minimum purchase or future purchase obligations under the Purchase Order.
- 3. PURCHASE ORDER ACCEPTANCE. The Purchase Order must be accepted in writing by Provider. If for any reason Provider should fail to accept the Purchase Order in writing, the performance by Provider of any Services, the shipment by the Provider of any Products ordered hereby, the furnishing of any Services called for in the Purchase Order or the acceptance of any payment by Provider under the Purchase Order or any other conduct by Provider which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute an unqualified acceptance by Provider of the Purchase Order and all its terms and conditions. Any terms and conditions proposed in Provider's acceptance of Taconic's offer or in any acknowledgement, invoice, or order form of Provider that add to, vary from, or conflict with the terms herein are hereby objected to. If the Purchase Order has been issued by Taconic in response to an offer and if any terms herein are additional to or different from any terms of such offer or agreement from which the Purchase Order is based, the issuance of the Purchase Order by Taconic shall constitute an acceptance of such terms herein and acknowledges that this order constitutes the entire agreement between Taconic and Provider with respect to the subject matter hereof and the subject matter of such offer and Provider shall be deemed to have so assented and acknowledged unless Provider notifies Taconic of the contrary in writing within ten (10) calendar days of receipt of the Purchase Order. Provider and Taconic agree that Purchase Orders may be issued by Taconic, and accepted by Provider, via facsimile or electronic data interchange ("EDI") and that all Purchase Orders issued via facsimile or EDI shall (a) be deemed to have been (Note: EDI orders are not otherwise signed) signed by an authorized representative of Taconic and (b) constitute originals. Taconic and Provider further agree not to contest the validity or enforceability of an accepted facsimile Purchase Order on the basis of it not being an original.
- **4. TACONIC AFFILIATES.** Provider acknowledges and agrees that Affiliates (defined below) of Taconic may procure Products and Services under and pursuant to the terms of the Purchase Order as if they were Taconic. "Affiliates" means, with respect to an entity, any entity that is Controlled by or is under common Control with that entity. "Control" (including correlative meanings for the terms "Controlled by"

and "under common Control with") means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of an entity.

5. DELIVERY

- 5.1. <u>Delivery</u>. Provider shall deliver all Products in a good and workmanlike manner, using sound principles and practices and exercising the highest standards of skill, care and diligence. Provider shall obtain the approval of the applicable Taconic site prior to delivery.
- 5.2. <u>Title and Risk of Loss</u>. Title and risk of loss pass to Taconic when the Products are delivered to the location specified in the applicable Purchase Order and accepted by Taconic.
- 5.3. <u>Quantity</u>. If Provider delivers more or less than the quantity of Products ordered, Taconic may reject all or any excess Products. Any such rejected Products shall be returned to Provider at Provider's risk and expense. If Taconic does not reject the Products and instead accepts the delivery of Products at the increased or reduced quantity, the price for the Products shall be adjusted on a pro-rata basis.
- 5.4. <u>Packaging</u>. All Products shall be packed for shipment according to Taconic's instructions or, if there are no instructions, in a manner sufficient to ensure that the Products are delivered in undamaged condition. Provider must provide Taconic prior written notice if it requires Taconic to return any packaging material. Any return of such packaging material shall be made at Provider's expense.
- 5.5. <u>Essence</u>. Date(s) of Services, date(s) of Product shipment and delivery and quantities and qualities specified are of the essence. Provider shall promptly notify Taconic whenever it appears to Provider that it will not be able to perform or deliver as specified.
- **6. PRICE.** Unless otherwise specified herein, the price referenced in the Purchase Order includes all packaging, transportation costs to the Delivery Location, insurance, customs duties and fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Taconic.
- **7. INSPECTION.** Taconic has the right to review, inspect and test any and all Products and Services (i) prior to completion of Services by Provider, (ii) prior to shipment of the Products by Provider, (iii) prior to arrival and (iv) upon arrival (before acceptance) of the Products at the destination. These inspections are encouraged by Provider, but will not operate to relieve Provider of its responsibility or liability under the Purchase Order. Payment by Taconic does not constitute acceptance.

8. WARRANTIES

- 8.1. <u>Products and Services</u>. Provider warrants that Products and Services will conform to all descriptions, warranties and specifications applicable to this Purchase Order, furnished or adopted by the parties or set forth in Provider's response to Taconic request for quote (or similar document), Provider's catalog or brochures and other information provided to Taconic by Provider.
- 8.2. <u>Products</u>. Provider warrants that (a) it has complete and good title to all Products, free of any liens and encumbrances and free from all latent and patent defects, and (b) Products will be of the best quality, fit and sufficient for the purpose for which purchased, merchantable, of good material and workmanship,

- 8.3. <u>Services</u>. Provider warrants that it (a) shall perform the Services in a good and workmanlike manner, using sound principles and practices and exercising the highest standards of skill, care and diligence.
- 8.4. <u>General</u>. Provider is responsible for any defects in the Products and Services and their failure to conform to the warranties furnished by Provider and as set forth in these Terms and Conditions. At Taconic's option, Provider shall rectify these defects and failures at Provider's expense, allow full credit or refund the amount paid for the defective or nonconforming Services when (i) the defects or failures are discovered within 90 days of completion of the Services, or (ii) for Products, when the defects or failures are discovered within 365 days from Taconic's receipt thereof, or to the extent the Products comprise equipment, 24 months from the date of putting the equipment into commercial operation. No defective Products or Services will be replaced without Taconic's written agreement. If Products are to be returned to Provider, transportation will be at Provider's expense.
- 8.5. These warranties will run to Taconic and its successors, assigns and customers and the users of Taconic products. Taconic's acceptance and use of Products after receipt from Provider will not affect Provider's warranties and representations stated herein. Taconic's failure to give notice to Provider of any breach of warranty will not discharge Provider's liability therefore. The foregoing remedies are in addition to any other rights Taconic may have hereunder or at law or in equity.

9. COMPLIANCE WITH LAWS

- 9.1. <u>Compliance with Laws</u>. Provider shall comply with all applicable federal, state, county, local, municipal, foreign, international, multinational, or other constitution, laws, statutes, treaties, rules, regulations, ordinances and codes.
- 9.2. Premises. While Provider's employees, agents, subcontractors or representatives are on Taconic's premises, Provider shall maintain strict work discipline and its employees, agents, subcontractors and representatives shall comply with Taconic's environmental, health, security, safety and substance abuse standards, policies and procedures. Provider's employees, agents, subcontractors and representatives that are on Taconic's premises shall participate in Taconic's environmental, health, safety programs applicable to Provider, including, but not limited to, attendance at Taconic's safety training, and compliance with all personal protective equipment requirements (the minimum of which is the wearing of safety glasses) and compliance with Taconic's plant dress code which prohibits the wearing of shorts. Provider shall provide Taconic with a copy of its written safety and training programs which shall include specific information that relates to the anticipated work to be performed on Taconic's property, including, but not limited to, lockout/tagout, confined space, excavation, line breaking/opening, and hot work. Provider shall provide Taconic with a list of all hazardous materials that Provider plans to bring on Taconic's property.
- 10. RIGHTS IN DELIVERABLES; NO LICENSE. Provider agrees that any deliverables or other work product arising from the Services shall be the property of and owned by Taconic, and shall be considered Confidential Information hereunder. (i) Provider hereby assigns to Taconic any and all (a) inventions, discoveries or improvements thereof, patentable or otherwise, including patents and patent applications of which Provider or an employee or subcontractor of Provider is an inventor or co-inventor which arise or mature as a result of the performance of the Services and (b) all other copyright and derivatives, trade secret and other proprietary rights that arise out of the performance of the Services or that are applicable to any deliverables under the Purchase Order. Provider agrees that any deliverables related to the

Purchase Order and work prepared for Taconic which is eligible for copyright protection in the United States or elsewhere shall be considered "work made for hire" and Taconic will be considered the author of such work. If any such work is deemed for any reason not to be a work made for hire, Provider hereby assigns all rights, title and interest in the copyright of such work, and all extensions and renewals thereof, to Taconic. Provider agrees to waive all moral rights relating to the work developed or produced, including, without limitation, any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications. At Taconic's request and expense (but without any additional compensation to Provider), Provider shall execute and deliver such instruments and take such other action as may be requested (including assistance in any proprietary rights application process) by Taconic to perfect, protect or enforce Taconic's rights in the work and deliverables related to the Purchase Order and to carry out the assignments contemplated in this Section. (ii) No license under any patent, copyright, trademark, trade secret or otherwise is granted or implied by Taconic. Information disclosed remains the property of Taconic. Provider's obligations of confidentiality hereunder specifically prohibit filing any applications for patent or other protection that are based on Confidential Information, or on information Provider would not have obtained but for having had access to Taconic's Confidential Information.

11. CONFIDENTIALITY

11.1. Confidential Information. "Confidential Information" means the Purchase Order and all other information provided by or on behalf of Taconic to Provider. Notwithstanding the foregoing, Confidential Information does not include information that (i) is rightfully known to Provider at the time of disclosure as demonstrated by Provider's written or electronic records, (ii) is or becomes part of the public domain through no wrongful act of Provider, (iii) has been rightfully received by Provider from a third party authorized to make the disclosure without restriction, (iv) has been approved in writing by an authorized representative of Taconic for release or (v) is independently developed without benefit of the Confidential Information. If Provider has any question as to whether information should be considered Confidential Information, Provider shall inquire of Taconic about the information prior to using or disclosing it. Confidential Information will not be deemed to be within any of the foregoing exceptions merely because the information is embraced by more general information in the public domain or in Provider's possession, but only if the whole thereof is in the public domain or in Provider's possession. Provider shall have the burden to prove, if so requested by Taconic, that such information is not Confidential Information. Provider acknowledges and agrees that "Confidential Information" also includes, without limitation, any information related to or used at any Taconic site or facility, including, without limitation, information belonging to Taconic, a Taconic tenant or other third party on a Taconic site(s), learned as a consequence of having access to a Taconic site or facility, including, without limitation, product, processes and process equipment. Provider acknowledges that Taconic may provide material samples ("Samples"), which shall be treated as Taconic Confidential Information hereunder. Provider shall keep the Samples in its control at all times and shall not make them available to any third party. Provider may not test, evaluate or analyze any of the Samples except as expressly authorized in writing by Taconic. Provider acknowledges and agrees that the results of any evaluation, analysis or testing of Samples will be considered Taconic Confidential Information.

11.2. <u>Restrictions</u>. Provider shall hold the Confidential Information in strictest confidence, shall not disclose the Confidential Information, or cause or allow it to be disclosed, to any third party or use the Confidential Information for any purpose other than as expressly contemplated by the Purchase Order.

Provider shall disclose the Confidential Information only to its officers and employees who need to receive the Confidential Information to carry out the purpose of the Purchase Order, who are informed of the confidential nature of the Information, and who are bound by confidentiality obligations at least as restrictive as those contained in the Purchase Order. Provider shall not disclose any Confidential Information to any third party, whether a subcontractor, agent, consultant or otherwise, unless and until Taconic has furnished written consent. Provider shall remain liable for any breaches of the Purchase Order by its officers, employees or any other individual or entity to whom Provider discloses Confidential Information.

- 11.3. Permitted Disclosure. Notwithstanding Section 11.2, Provider may disclose the Confidential Information in response to a request for disclosure by a court or other governmental authority, including a subpoena, court order or audit-related request by a taxing authority, if Provider: (i) promptly notifies Taconic in writing of the terms and the circumstances of that request, (ii) consults with Taconic, and cooperates with Taconic's reasonable requests to resist or narrow that request, (iii) furnishes only Confidential Information that, according to advice of its legal counsel, Provider is legally compelled to disclose and (iv) uses reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded the Confidential Information.
- 11.4. <u>Injunctive Relief</u>. Provider agrees that due to the unique nature of Confidential Information there may be no adequate remedy at law for breach of this Section and that the breach may cause irreparable harm to Taconic; therefore Taconic may seek immediate injunctive relief, without the necessity of posting bond, in addition to whatever remedies it may have at law, in equity or under the Purchase Order.

12. INDEMNITY AND DEFENSE.

- 12.1. Indemnity and Defense. PROVIDER WILL, AT ITS EXPENSE, DEFEND, INDEMNIFY AND HOLD HARMLESS TACONIC AND ITS SUBSIDIARIES, AFFILIATES AND AGENTS, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, AND EMPLOYEES, AND TACONIC'S CUSTOMERS (COLLECTIVELY "INDEMNITEES") FROM AND AGAINST ANY AND ALL LOSS, COST, EXPENSE, DAMAGE, CLAIM, DEMAND OR LIABILITY, INCLUDING REASONABLE ATTORNEY AND PROFESSIONAL FEES AND COSTS AND THE COST OF SETTLEMENT, COMPROMISE, JUDGMENT OR VERDICT (A "LOSS") INCURRED BY OR DEMANDED OF AN INDEMNITEE ARISING OUT OF, RESULTING FROM OR OCCURRING IN CONNECTION WITH PROVIDER'S NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF THIS AGREEMENT. IN ADDITION, PROVIDER WILL, AT ITS EXPENSE, DEFEND, INDEMNIFY AND HOLD INDEMNITEES HARMLESS FROM AND AGAINST ANY LOSS RELATED TO PERSONAL INJURY, PROPERTY DAMAGE OR DEATH ARISING FROM PROVIDER'S PERFORMANCE UNDER THIS AGREEMENT OR FROM PROVIDER'S PRESENCE ON TACONIC'S FACILITIES. PROVIDER EXPLICITLY ACCEPTS THAT THE INDEMNITIES GRANTED ABOVE WAIVE ANY LIABILITY OF TACONIC TO PROVIDER FOR COMPARATIVE LIABILITY EVEN IN THE EVENT OF NEGLIGENCE OR GROSS NEGLIGENCE BY TACONIC.
- 12.2. <u>Imputed Liability</u>. For purposes of this Section, the activities of Provider or its subcontractors, agents or employees on or about Taconic's premises will be deemed to relate to Provider's work, maintenance or operations under the Purchase Order and will otherwise be imputed to Provider for the purpose of triggering this Section, regardless of whether such activities are within the scope of their agency or employment.

- 12.3. <u>Taconic's Participation</u>. Without relieving Provider of any of its obligations hereunder, Taconic may elect to defend or participate in the investigation and/or defense of any related lawsuit at its own expense. Prior to service or filing of any significant pleading, motion, brief, discovery response or other document on behalf of Taconic, Provider will provide such documents to Taconic for review and approval, which shall not be unreasonably withheld.
- 12.4. <u>Notice</u>. Taconic will notify Provider in writing of a claim or suit or other matter subject to this Section as soon as commercially practicable following Taconic's receipt of service of legal process and provide reasonable cooperation (at Provider's expense) and full authority to defend or settle the claim or suit. A delay in notice will not relieve Provider of its obligations under this Section. Once Taconic notifies Provider in writing of a claim or suit or other matter subject to this Section, Provider shall provide notice of a claim or suit or other matter subject to this Section to any and all insurance carriers providing insurance to Provider pursuant to the Purchase Order. Within 7 days of Provider's receipt of Taconic's notice of a claim or suit or other matter subject to this Section as described above, Provider shall provide Taconic written proof that the above-mentioned insurance carriers have been put on notice.
- 13. INSURANCE. Provider will 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 \$1 million, general aggregate in a sum no less than \$2 million, automobile liability in a sum no less than \$1 million, worker's compensation in an amount no less than the applicable statutory minimum requirement, and employer's liability in an amount of no less than \$1 million, all with insurance carriers with an AM Bests rating of no less than A- or equivalent. In addition, Supplier is responsible for maintaining an adequate level of insurance to cover any potential losses due to damage to Taconic property. All insurance required by this Section my cover Taconic, its subsidiaries and affiliates, and their respective officers, directors, shareholders, employees and agents as additional insureds. Before delivery of any Goods or commencement of any services under the Purchase Order, Supplier will provide to Taconic evidence that Supplier maintains the described insurance, and that the coverage will not be changed without 30 days' advance written notification to Honeywell from the carrier(s). Except where prohibited by law, Supplier will require its insurers to waive all rights of recovery or subrogation against Taconic, its subsidiaries and affiliated companies, and its and their respective officers, directors, shareholders, employees, and agents. The amount of insurance carried in compliance with the above requirements is not to be construed as either a limitation on or satisfaction of the indemnification obligation in this Purchase Order.
- 14. RIGHT TO AUDIT. Provider shall keep full and detailed accounts as may be necessary and satisfactory to Taconic to ensure compliance with the Purchase Order, including, without limitation, quality control and protection of Taconic Confidential Information. Upon Taconic's request, Provider shall give Taconic and its designated auditor, if any, access to all of Provider's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to the Purchase Order (collectively, "records") and Provider's quality control laboratories. Provider shall preserve all of these records for a period of 3 years after final payment by Taconic hereunder. Such records will be deemed "Confidential Information" hereunder. In the event a noncompliance is found, Provider shall correct the noncompliance and pay all costs of the audit.

- **15. TERMINATION.** (i) At any time by written notice to the other party, either party may terminate this Purchase because of a material breach of the Purchase Order by the other party if the breach is not corrected to the reasonable satisfaction of the non-breaching party within 30 days after the breaching party's receipt of written notice reasonably detailing the breach. (ii) Taconic may terminate the Purchase Order or any unfulfilled order related hereto for any reason and without penalty with 7 days written notice to Provider. (iii) If a party becomes insolvent, is unable to pay its debts as they mature, makes a general assignment for the benefit of creditors, has a receiver appointed for the whole or any substantial part of its property or becomes bankrupt, then the other party may, in addition to all other rights and remedies provided by law, immediately terminate the Purchase Order by written notice to the other party. (iv) Termination under this Section will take effect on the date indicated in the applicable notice of termination.
- **16. Termination Process.** If the Purchase Order is terminated as provided herein, (i) as to Services, Provider will be paid authorized costs and charges for Services performed prior to the effective date of termination and all reasonable actual documented costs incurred at Taconic's request after termination and (ii) as to Products, Provider shall fulfill all orders placed under the Purchase Order by Taconic prior to termination unless otherwise specified by Taconic. Provider shall not remove any equipment, supplies or materials located at any Taconic site without specific written authorization from the appropriate Taconic facility representative.
- 17. INDEPENDENT CONTRACTOR. Provider will remain an independent contractor, will not be an agent or employee of Taconic and will not have, nor represent that it has, any power to bind Taconic or to assume or create any obligation, express or implied, on behalf of Taconic. Provider and its employees will not be considered employees of Taconic or entitled to participate in, or accrue credit toward, an employee compensation or welfare or benefit plan or arrangement of Taconic. It is expressly understood Taconic is interested only in results obtained and neither Taconic nor Taconic's representatives will have any authority to exercise control over the manner in which the work is performed, other than the right to order the work to start or stop or to inspect progress or receive reports, have any authority to supervise Provider's employees, agents or subcontractors or have any authority to direct or control their detailed methods or performance. Any provisions of the Purchase Order which may appear to give Taconic the right to direct Provider or its employees as to details of doing the work addressed in the Purchase Order or to exercise a measure of control over the work will be deemed to mean that Provider will follow the desires of Taconic in the results of the work only.

18. MISCELLANEOUS

18.1. <u>Subcontracting</u>; <u>Assignment</u>. Neither the Purchase Order nor any benefits thereof may be subcontracted or assigned by Provider, in whole or in part, without the prior written consent of Taconic. If Taconic consents to Provider's election to utilize the services of a subcontractor to provide Services or Products under the Purchase Order, under no circumstances will this relieve Provider of any liability of performance to Taconic. Provider shall bind every subcontractor by written agreement to observe all of the terms of the Purchase Order to the extent that they may be applicable to the subcontractor. Taconic may assign the Purchase Order in whole or in part in its sole discretion. Except as provided in Section 4 and rights to indemnity and defense hereunder, the Purchase Order will not be deemed to be for the benefit of any person or entity other than the parties to the Purchase Order and their permitted successors and assigns.

- 18.2. <u>Public Statements</u>. Provider shall not make any public statements with respect to the business, personnel or affairs of Taconic or its Affiliates, including the existence of the Purchase Order, nor use the name or any trademark or service mark of Taconic or its Affiliates without the express prior written consent of an officer of Taconic.
- 18.3. <u>Headings</u>. Headings of particular sections and paragraphs in the Purchase Order are inserted only for convenience and are in no way to be construed to be a part of the Purchase Order or as a limitation of the scope of the sections or paragraphs to which they refer.
- 18.4. Entire Agreement; Conflicts. The Purchase Order, these Terms and Conditions and any attachment or other document incorporated herein specifically by reference contain the entire agreement of the parties relating to the subject matter hereof. The Purchase Order including these Terms and Conditions supersede, and the parties disclaim reliance upon, any agreements, representations or warranties not expressly stated therein. In the event of a conflict or additional terms provided in any order or other Provider communication or document, the Purchase Order including these Terms and Conditions will control and the conflicting and additional terms are hereby objected to and will be disregarded. It is acknowledged that there may exist other agreement(s) between the parties with similar subject matter or project area. Those agreements are not superseded by the Purchase Order or these Terms and Conditions. Each such unrelated agreement remains in full force and effect per the terms and conditions of each respective agreement.
- 18.5. <u>Amendments</u>. No amendments or waiver of any provision of the Purchase Order will in any event be effective unless the same is in writing and signed by each party hereto, and in the case of waivers, will only be effective in the specific instance and for the specified purpose for which it was given.
- 18.6. <u>No Waiver</u>. No failure on the part of either party to exercise, and no course of dealing with respect thereto, and no delay in exercising any right, power or remedy under the Purchase Order will operate as a waiver thereof.
- 18.7. <u>Severability</u>. If any term or provision of the Purchase Order is held to be illegal, invalid or unenforceable under any present or future law or by any governmental entity, such term or provision will be fully severable and in lieu thereof there will be added automatically as a part of the Purchase Order a legal, valid and enforceable provision as similar in terms to the illegal, invalid or unenforceable provision as may be possible.
- 18.8. Governing Law; Exclusive Jurisdiction. The Purchase Order will be governed by and construed in accordance with the laws of the State of New York without reference to its choice of law doctrine. Any suit brought by either party against the other party for claims arising out of the Purchase Order will be brought in any court of competent jurisdiction located in Rensselaer County, New York, and the parties hereto consent to the exclusive jurisdiction of those courts in respect of the action or proceeding.
- 18.9. <u>Force Majeure</u>. Both parties will be absolved from liability for any act, omission or circumstance occasioned by any cause whatsoever not within the control of the party affected thereby and which the affected party could not, by reasonable diligence, have avoided. However, those acts, omissions or circumstances will not relieve the affected party of liability in the event of its failure to use reasonable diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable

dispatch and to give notice and full particulars of the situation in writing to the other party as soon as possible after the occurrence of the cause relied upon. The requirement that any force majeure be remedied with all reasonable dispatch will not require the settlement of strikes or labor controversies by acceding to the demands of the opposing party or parties. For the avoidance of doubt, Provider's economic hardship, changes in market conditions and mechanical failure of Provider's facility are not considered events of force majeure. If with respect to the Purchase Order, should Provider need to allocate Taconic on the Products due to an event of force majeure, Taconic shall be allocated at an amount equal to the greater of the highest allocation percentage of any purchaser of goods similar to the Products of Provider, or 1/12 of the estimated highest percentage stated on a monthly basis. Inventory in transit, including on consignment, prior to the allocation shall not be part of the allocation. This Section will not void the indemnity or confidentiality obligations set forth in the Purchase Order.

- 18.10. <u>Set-off</u>. Without prejudice to any other right or remedy it may have, Taconic reserves the right to set off at any time any amount owing to it by Provider against any amount payable by Taconic to Provider.
- 18.11. <u>Notice</u>. All notices under the Purchase Order must be in writing and signed by the party giving notice and sent to the other party to the attention of such party's contact person stated herein. A notice will be deemed given to a party when (i) delivered to the appropriate address by personal delivery or recognized overnight delivery service (costs prepaid) or (ii) received or rejected by the addressee, if sent by certified mail, return receipt requested. Each party may change the place or person to which notice is to be sent by written notice as specified above.
- 18.12. <u>International Sale of Goods</u>. Notwithstanding the application of New York law, the parties expressly agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply to the Purchase Order.
- 18.13. <u>ISO Certification and Advocacy.</u> Taconic is committed to quality and is compliant with guidelines established by ISO. Taconic will periodically monitor and audit Provider's quality systems to ensure the quality of products or workmanship sold or provided to Taconic. Taconic may periodically request evidence of Provider quality certifications.