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GENERAL TERMS AND CONDITIONS OF PURCHASE BY EXIM INCORPORATED

1. Controlling Terms and Conditions. These general terms and conditions ("Controlling Terms") apply to each and every purchase and/or contract of purchase (the "Contract") made by or on behalf of Exim Incorporated (hereinafter called "Company"), except as otherwise amended in a writing signed by both parties. Acceptance is expressly limited to the terms of this Purchase Order, including these Controlling Terms. If any provision of this Purchase Order, including these Controlling Terms, does not conform to Seller's understanding of the agreement between the Company and Seller, Seller must provide the Company with a written objection within ten days of Seller's receipt of this Purchase Order. Seller's failure to object to its contents will not absolve it from liability under the Contract. The Company agrees to buy from Seller only on the express condition that Seller, if it has not already done so, agrees to the exact terms and conditions set forth in this Purchase Order, including these Controlling Terms, except as otherwise agreed in a writing signed by both parties. Acceptance of or payment for materials described in the Contract shall not constitute acceptance of or agreement to any provision of Seller's offer, expression of acceptance, confirmation, or any other communication from Seller to the Company which is different from, inconsistent with, or in addition to the terms and conditions of this Contract except as otherwise amended in a writing signed by both parties.

2. Resale. Purchased materials are for resale.

3. Loading. Seller covenants and agrees to properly load all conveyances. Seller shall load all conveyances to the required weight +/- 10% according to the designated description of the materials. Any expense incurred or delays occasioned because of improper loading shall be chargeable to Seller.

4. Packing and Transportation. Time is expressly made of the essence in regard to Seller's performance of this Contract. Unless otherwise specified in the Contract, all charges for packing, crating, hauling, storage and transportation to point of delivery are included in the purchase price. All shipments must be accompanied by packing slips containing a description of the material and the purchase order number. Unless expressly stated otherwise in the Contract, Seller shall reimburse the Company for the cost of unloading materials improperly packaged or loaded. If transportation to the point of delivery is not included in the purchase price, then Seller shall route the shipment in such a manner as to insure the lowest applicable freight rate on the material shipped to the destination shown. If Seller selects a means of transportation other than that described by the Company in the Contract, any extra costs incurred by reason thereof shall be borne by Seller. Risk of loss of all materials described herein shall remain with Seller until such materials have been received and accepted at the F.O.B. point or other destination specified in the Contract.

5. Weight, Grading and Analysis. The Company weights, grading and analysis of all material, as fixed and reflected by the Company's shall be conclusive.

6. Warranty; Indemnification. Seller warrants that the material described herein conforms to the specifications and grade described in the Contract. Seller likewise warrants that it does maintain product liability insurance and that it will indemnify, defend and hold the Company harmless against any and all claims, actions, liabilities, damages, expenses and costs, including attorneys' fees, as a result of any personal injury or property damage arising out of the loading OR UNLOADING of the material, or its transportation to the Company.

THE INDEMNIFICATION PROVISIONS IN THIS SECTION 6 AND IN SECTION 8 SHALL BE ENFORCEABLE REGARDLESS OF WHETHER OR NOT ANY PERSON (INCLUDING THE PERSON FROM WHOM INDEMNIFICATION IS SOUGHT) ALLEGES OR PROVES THE SOLE, CONCURRENT, CONTRIBUTORY OR COMPARATIVE NEGLIGENCE OF THE PERSON SEEKING INDEMNIFICATION OR THE SOLE OR CONCURRENT STRICT LIABILITY IMPOSED UPON THE PERSON SEEKING INDEMNIFICATION.

7. Inspection and Rejection. All materials shall be received subject to the Company's inspection and rejection. The Company shall promptly notify Seller of any partial or total rejection of materials as non-conforming. Materials not accepted will, at the Company's option, either be held for Seller's instruction and at Seller's risk, or returned at Seller's expense. Any returned materials will be at Seller's risk. Payment for material prior to inspection shall not constitute an acceptance thereof. The Company reserves the right, without notice to deduct from any unpaid balance hereunder for non-metallics, wood, paper, dirt, ice or snow. Seller shall retain title to the materials until final acceptance by the Company.

8. Environmental Representations and Indemnification. Seller hereby represents that (i) any facility where the materials were handled, processed, reclaimed or otherwise managed was in compliance with substantive (not procedural or administrative) provisions of any federal, state or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, storage or other management activities associated with recycled materials, (ii) that any chlorofluorocarbons or other substances described in 42 U.S.C. § 7671a were removed from any material prior to its disposal or its delivery for recycling in full compliance with applicable federal, state and local laws and regulations; and (iii) Seller has otherwise complied with all federal, state and local environmental laws and regulations. Seller agrees to defend, indemnify and hold

the Company harmless from and against any and all liabilities or expenses incurred, directly or indirectly, by the Company arising out of or in connection with Seller's breach of the foregoing environmental representations or arising out of or in connection with any environmental liability incurred by purchaser as a result of the condition of the materials provided by seller.

9. Invoice; Taxes. Seller shall invoice the Company upon final acceptance of materials by the Company. Seller shall separately state on all invoices any taxes imposed. No tax shall be included for which an exemption is available and in the event any tax included was not required, Seller shall promptly refund such an amount to the Company. Unless otherwise specified, prices shown in the Contract are inclusive of all taxes and other charges not expressly imposed on the Company by the law of the Company's domicile or by federal law.

10. Assignment. Neither this Contract, nor any interest hereunder, nor any obligations imposed on Seller hereunder, shall be assignable by Seller without the Company's prior written consent.

11. Cancellation and Modification. The Company may cancel the Contract in whole or in part or exercise any other remedy available to it under the Uniform Commercial Code on account of non-conforming material or if materials are not shipped as scheduled or in the event Seller makes an assignment for the benefit of creditors or a receiver is appointed for Seller, or if proceedings in bankruptcy or for corporate reorganization are filed by or against Seller, or upon Seller's failure to comply with any of the terms of the Contract or these Controlling Terms. The Company may cancel the Contract at any time for convenience, upon which the Company's sole liability shall be for payment of materials received and accepted by the Company.

12. Compliance with Laws and Regulations. Seller shall comply with all applicable local, state and federal laws, rules and regulations in conducting its business and performing its obligations under the Contract. Seller certifies that the materials purchased hereunder have been produced in compliance with the Fair Labor Standard Act of 1938, as amended, including all regulations thereunder. The Equal Employment Opportunity Clause, prescribed by Executive Order No. 11246, as amended, is incorporated herein.

13. Setoff; Termination. The Company shall be entitled to setoff any amount owed by the Company in connection with the Contract against any amount owed to the Company by Seller or any of Seller's affiliates arising under the Contract or any other contract or arrangement with the Company. The Company may terminate or repudiate the Contract due to a default of the Seller or its affiliate under any other contract, agreement or arrangement with the Company. For purposes hereof, the term affiliates shall mean any corporation, partnership, trust or other entity controlling, controlled by or under common control with the Seller.

14. Attorneys' Fees. Seller shall pay all attorney's fees and court costs incurred by the Company in any successful action against Seller for breach of Seller's representations, warranties or obligations under the Contract.

15. Advertising; Proprietary Information. Seller shall not, without first obtaining the written consent of the Company, in any manner advertise or publish the fact that Seller has contracted to sell to the Company any materials. Seller hereby agrees that any and all technical information contained in documents, schedules and the like received from the Company for the performance or negotiations of the Contract is received in confidence and shall remain the proprietary property of the Company. Seller agrees that such information will not be transmitted, reproduced, issued or disclosed to any person or organization by Seller, except for Seller's advisers, employees, officers, agents, and representatives, including any as may be necessary for the performance of the Contract, without the Company's prior written approval.

16. Interpretation and Forum. The Contract and these Controlling Terms constitute the entire agreement between Seller and the Company with respect to the materials described herein and supersede any prior or other agreements, written or oral, between the parties. No amendment, modification, waiver or release of any provisions hereof is binding upon the Company without a writing signed by the Company's authorized representative.

17. Governing Law and Venue. The Contract shall be construed as a contract made in the State of Texas without reference to any conflicts of law principles and shall be governed by the laws of the State of Texas. Any action or suit initiated by Seller relating in any way to the Contract must be brought in a federal or state court located in Harris County, Texas. Seller hereby consents to the jurisdiction of the courts located in Harris County, Texas.

18. Waiver. No failure of the Company to insist upon strict compliance by Seller with, or authorization by the Company permitting Seller to deviate from, any terms or conditions set forth in the Contract shall be construed as a waiver of the Company's rights to require future strict performance of the same or any other term or condition.

19. Severability. All of the terms and conditions of the Contract are separate and severable. If any term or condition is held invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not effect the validity or enforceability of the other terms and conditions contained herein.

20. Material Standards. If applicable, ISRI Material Standards should apply.