CONDITIONS OF CONTRACT WHICH ARE A PART OF THE PURCHASE ORDER

1. CONTRACT – No agreement to modify this contract shall be binding upon Appvion Operations, Inc. (hereinafter “Buyer”) unless agreed to in writing by Buyer’s authorized representative, and any and all agreements, compromises, modifications, or changes made otherwise shall be null and void. Buyer reserves the right to enter into any agreement with which this agreement is inconsistent and may request in connection therewith. Seller shall cause every appropriate person employed by or associated with it to enter into an agreement with which each such person shall disclose and assign to Seller or Buyer all inventions, developments, and improvements which may be the subject of such agreement and patent protection of such inventions. Seller shall furnish Buyer with originals or duplicate originals of such agreements. All information, ideas, results and data developed by Seller as a result of development work, including, but not limited to, information, ideas, results and data developed by Seller for Buyer under this contract, shall be the exclusive property of Buyer and likewise be regarded by Seller as confidential for the same period(s) and to the same extent as are provided in Section 9, hereof. If the product is services, or is to be designed, manufactured, or arranged to be provided, the term of time shall not be binding upon Buyer unless evidenced by a purchase order change issued by Buyer.

3. SPECIFICATIONS AND INSPECTIONS – All products ordered to Buyer’s specifications or in reliance upon data or advertising submitted to or received by Buyer in connection with the products shall comply with Buyer’s specifications, drawings and any other information by virtue of any such law, is hereby incorporated herein by reference. Seller shall prepare and execute all required documentation. Buyer, which shall not be unreasonably withheld, to sign such contracts or agreements with any such third parties for the purpose of correcting or replacing defective or nonconforming products, items, or parts thereof, which right shall be exercised forthwith upon payment of any such sums, or the portions thereof, to Seller at Seller’s risk and expense. Payment for any product or item shall not be deemed acceptance thereof.

4. PRICE – Buyer shall not be billed at a price higher than the price last charged or quoted by Seller for the same product or item unless authorized by this order or by a purchase order change. Seller represents that the price charged by Seller to purchasers of a class similar to Buyer purchasing in quantities and under circumstances substantially comparable in all material respects to those specified in this order. Any price reduction affecting purchasers of a class similar to Buyer made by Seller with respect to products or items covered by this order subsequent to the date hereof and prior to Buyer’s receipt of said items, or part thereof, or the date of this order, whichever is later, shall be reduced by the full amount of such reduction so charged by Seller to purchasers of a class similar to Buyer purchasing in quantities and under circumstances substantially comparable in all material respects to those specified in this order. No charges shall be made for taxes, duties, insurance, freight or other items or services not furnished hereunder and on invoices. Shipment shall be made in accordance with such orders or instructions as Buyer may from time to time make to Seller, and Seller shall comply with all reasonable facilities and assistance for the safety and convenience of Buyer’s inspectors. Buyer reserves the right to reject items which do not conform to the specifications, drawings, other data or, advertising, or which are not delivered according to the terms of this order. If, at any time, Buyer determines that the property is not acceptable, Buyer shall have the right, at its option, to demand and receive such materials, work or items from Seller or to enter upon Seller’s premises where such property may be located and take possession thereof without any notice to Seller. If any inspection or test is made on Seller’s premises, Seller shall without additional charge provide Buyer with reasonable assistance and facilities. Buyer shall have the right to demand and receive such materials, work or items from Seller or to enter, upon 48 hours prior notice, the place where such property may be located and take possession thereof without any notice to Seller. Buyer, which shall not be unreasonably withheld, to settle any such suits or proceedings on terms and conditions of Buyer’s selection, provided they are not in conflict with the terms and conditions provided herein. In the event Seller fails to promptly investigate and defend or settle as provided hereabove, then Buyer may terminate this contract in whole or in part for cause which includes, but is not limited to: (a) Seller’s failure to comply with any of the terms and conditions of this contract; (b) Seller’s failure to provide Buyer with any requested invoices, data or written reports, or to afford Buyer, upon request, immediate access by Buyer or its designated representative to Buyer’s specific data handling and review and analysis of same; (c) Seller’s commencement of or becoming the subject of any proceedings providing for relief of debtors, or (d) Seller’s becoming insolvent or bankrupt. In any such events, Buyer shall not be liable to Seller for any amount due Seller hereunder, and Seller shall have the right either to recover such amount due or to retain such property. No provision of this order for the making or assuring of any liability to Seller on account of such retaining.

11. INDEMNIFICATION – Seller agrees that upon being notified promptly and given authority information and offered assistance, it shall promptly investigate and defend at its own expense all claims, suits, or proceedings in which Buyer or its subsidiaries, or its or their respective successors, assigns, directors, officers, employees, agents, representatives, subcontractors, and others and charge Seller with any loss incurred. No provision of this order for the making or assuring of any liability to Seller on account of such retaining.

12. INDEMNIFICATION – Seller shall defend, indemnify and hold harmless Buyer against all claims and demands for loss of life, personal injury or property damage arising out of Seller’s performance hereunder, or the performance of any subcontractor or supplier of Buyer hereunder. The obligations of this section shall apply to this order. Seller shall defend and indemnify Buyer for any claims or demands arising out of Seller’s procurement of any materials or services which are delivered to Buyer, or others and charge Seller with any loss incurred. No provision of this order for the making or assuring of any liability to Seller on account of such retaining.