CDTI Advanced Materials, Inc.

STANDARD SALES POLICY - TERMS & CONDITIONS OF SALE

This POLICY applies to shipment of Product from CDTI, Inc. This policy supersedes all previous policies.

COMPLIANCE WITH LAWS CDTI, its distributors and customers are required to comply with all laws and conditions for the export of our products and information per the Export Control Regulations of the United States Department of Commerce. The laws of the United States prohibit or restrict business dealings with persons of Cuba, Iran, North Korea, Sudan, Syria and Myanmar/Burma or persons owned or controlled by any of the foregoing (including any of the "specially designated national(s)" specified under such laws. The complete Sanction Country and Country Group list are located at: http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx.

ORDERS All orders placed by CDTI's customers shall be in writing, must be a minimum total dollar amount of $500.00, must be ordered in proper case quantities/product minimums, and shall specify:
- Purchase Order Number
- CDTI Part number
- Quantity
- Unit Price
- Requested Delivery/Ship Date
- Preferred method of Shipping/Carrier

All orders shall be subject to CDTI's acceptance. Individual order acceptance as well as changes to existing orders shall be in writing via CDTI's acknowledgment form. A processing fee may apply for purchase orders that are less than $500.00 dollars.

CDTI's terms and conditions shall apply to all orders placed by its customers and accepted by CDTI. Any terms and conditions submitted by a customer, on any form or in any manner, which are different from or in addition to the provisions as stated in this Sales Policy, shall not apply. Any additional or changed terms must be negotiated and set forth in a separate supplemental, written agreement, signed by authorized representatives at both CDTI and its customer. This agreement shall identify the specific provisions in the terms and conditions that are affected.

STANDARD PRODUCT LEAD TIMES For standard product, the lead time is 8 weeks from receipt of order however this will vary by product line. Please contact customer service for specific product lead times. An expedite fee may be charged per line item for any line item that is requested for shipment within the standard lead time (see below for expedite fees).

EXPEDITED FEES
- For a line item that totals $1,000 or less, an expedite fee of $100.00 per accelerated line item may be charged.
- For a line item that totals greater than $1,000, an expedite fee of 10% of the total line item may be charged.

All expedite fees charged to CDTI by our suppliers will be added to the above line item charges, as required.

For accelerated orders that cannot be accommodated within our normal production schedule, an over-time assessment will be added to the above line item charges, as required.

PRICING

DISTRIBUTOR - Pricing shall be in accordance with the CDTI established price book in effect at the time of the order. Prices are subject to change without notice, but it is CDTI's policy to attempt to provide thirty (30) days advance notice of any price change.

OEM - Contract pricing is negotiated on an individual basis with each OEM. Price changes are made with a minimum of sixty (60) days advance notice to the OEM.

DELIVERY SCHEDULE CDTI is committed to on-time delivery of all products. CDTI reserves the right to make deliveries up to ten (10) days in advance of scheduled delivery dates. In the event that CDTI is unable to meet scheduled delivery dates, CDTI shall make every effort to advise the customer of CDTI's new delivery date.

SHIPPED CONSIGNEE All shipments shall be made EXW CDTI's dock. Legal and equitable title to the goods, as well as risk of loss, shall pass to CDTI's customer and shall conclusively be deemed to be delivered to customer upon transfer of the goods to a carrier of the customer's choosing at CDTI's choosing. If the customer does not specify a particular carrier, CDTI will ship the goods to a carrier designated by CDTI. A drop shipment to any other location must be approved by CDTI at the time the order is accepted. All changes in ship location must be in writing. Packing and packaging shall be in accordance with good commercial practices or in accordance with prearranged customer defined packaging requirements.

WEIGHTS AND MEASURES Shippers weights and measurements taken at the shipping point shall govern unless proved to be in error. Variations of one-half percent (0.5%) or less from the weight or quantity of any shipment shall be disregarded. Such weights and measures shall be tested independently on the basis of procedures and processes that are reasonable and customary under the circumstances.

PRODUCTS NOT FOR RESALE Buyer hereby agrees that it shall not, nor shall it cause or permit any of its affiliates to, attempt to resell, convey or transfer to any other person or entity any Products in substantially the form purchased from CDTI hereunder, other than to Buyer's affiliate(s) solely for use by themselves (as ingredients, constituent in the production or manufacture of their own products for sale), it being understood and agreed that the Products purchased by Buyer hereunder shall be used by Buyer (or its affiliate(s)) solely for use as an ingredient, component or constituent in the production or manufacture of its (or their) own products for resale.

MATERIAL SAFETY DATA SHEETS CDTI shall furnish buyer, prior to the first delivery, CDTI's current Material Safety Data Sheet pertaining to the products. CDTI shall promptly furnish buyer copies of any revisions to any of the same issued by CDTI during the term of this agreement.

CREDIT APPROVALS, TERMS OF PAYMENT Shipments or deliveries of any products or the performance of any work shall, at all times, be subject to the approval of CDTI's finance department. Payment terms and customer credit limit shall be established based upon the payment history, purchasing history and credit check results. The customer's credit limit shall apply to all orders accepted by CDTI. At any time, CDTI, at its sole discretion, has the right to approve, approve additional security and/or increase or decrease the amount of credit limit at any time. The customer's credit limit may not be increased to an amount greater than the applicable credit limit. CDTI shall not be obligated to deliver products if such delivery would increase the customer's credit balance to an amount greater than the applicable credit limit. CDTI is not obligated to make any delivery to the extent the customer is delinquent in making payments for prior deliveries.

All payments must be made in U.S. dollars. CDTI's standard payment terms are: all invoices are payable on net thirty (30) day basis or earlier. In the event that an invoice is paid earlier than thirty (30) days, pre-payment discounts will be granted. Any changes to this policy must be approved in writing by CDTI's finance department. CDTI shall retain security interest in the products delivered to the customer until such time as the price for these products has been paid in full. CDTI's customers shall be responsible for all costs including reasonable attorney's fees and any other fees associated with collecting delinquent payments.

ORDER CANCELLATIONS All order cancellations must be accepted by CDTI and it is our policy to not accept order cancellations within thirty (30) days of scheduled shipment; however, if orders are approved for cancellation within thirty (30) days of the scheduled shipment date, the order will be subject to a minimum cancellation charge of twenty percent (20%) of the purchase price. The cancellation of a customer designed and/or proprietary product shall have a 100% cancellation fee or a total of the costs incurred to time of cancellation, including termination costs.

PRODUCT RETURNS (RETURN MATERIAL AUTHORIZATION - RMA) No goods shall be returned by Buyer without CDTI's prior written consent. The goods that will be returned must be returned to CDTI's Ravenna, Ohio facility. CDTI shall not be liable for all returns (defective product, shipment error, etc.). Reimbursement for product returns will be made in the form of “account credit” only after CDTI's physical inspection of the product to determine validity of return. Unless otherwise approved by CDTI, all returns shall be shipped back to CDTI by the buyer as prepaid. CDTI will not be responsible for damages incurred during shipping. All customer returns must be in new and unused condition and in their original packaging. Please send RMA requests and inquiries to sales@CDTi.com. No absolute, discounts due applied to customer proprietary products will be approved for return and credit. All returns are at CDTI's discretion and must be approved prior to shipping back to CDTI. Some products will be subject to restocking fees. Please check with customer service for details.

WARRANTY RETURNS All warranty claims are subject to CDTI's Warranty Terms. For returned material which is conformance or not defective, CDTI will return material to customer via freight collect.

PARTS SHIPPED IN ERROR Parts shipped in error by CDTI may be returned within thirty (30) days for full credit, including freight, when accompanied by the original CDTI packing slip and invoice. Notification to CDTI and CDTI RMA approval prior to return shipment is required.

Amount of authorized credit shall be based on price paid as established on the customer purchase order and related CDTI invoice. If no purchase order or invoice is available, the lowest purchase price for the returned product shall apply.

SHIPPING CLAIMS CDTI's customers shall inspect goods promptly upon receipt for damage, shortages or defects. CDTI requires notification of any discrepancy within ten (10) calendar days of invoice date. Goods must be returned within thirty (30) days for account credit. RMA requests and inquiries are to be sent to sales@CDTi.com. Any claims that CDTI's customers may have against the carrier for goods lost or damaged during shipment shall be made directly to the carrier and CDTI shall in no case have any liability to its customers for such loss or damage.

TAXES CDTI's customers shall be responsible for payment of all city, state, federal and foreign taxes, custom duties and other fees and charges attendant to the sale, delivery or shipment of CDTI product. All prices herein quoted are exclusive of sales, use and other excise taxes. Any transaction shall be required to pay sales, use, or other excise taxes, as provided by local, state, federal, or other taxing authority, with respect to the sale, purchase, delivery, storage, processing, use or consumption of the goods applicable to this transaction, including taxes upon or measured by the receipts from the sale hereof, shall be borne by CDTI's customer. CDTI shall furnish satisfactory proof of such exemption as may be reasonably required by CDTI.

WARRANTY: CLAIMS LIMIT TO SELLER'S LIABILITY All warranties, expressed, implied or statutory, including implied warranties of merchantability and fitness for a particular purpose or use, are hereby excluded and disclaimed. There are no warranties that extend beyond the description on the face hereof. CDTI shall not be liable for any product liability claims made against, or liability incurred by, buyer in relation to personal injury and/or property damage arising from the sale or use of goods. If any model or sample of the goods was shown to Buyer, such model or sample was shown to illustrate the general type and quality of the goods and is not necessarily a representation that the goods would conform to a model. CDTI is not liable for any manufacturing defects or for variations from specifications or for any damage or deterioration in quality or loss in weight, if, applicable, during transit or due to natural causes. In no event shall CDTI be liable for any incidental, consequential or punitive damages; and (ii) any personal injury and/or property damage arising out of the possession, use or sale of goods (or products made therefrom) by buyer or others on whom buyer is responsible for and shall indemnify CDTI against any liability for such injury or damage. The total cumulative liability of CDTI shall not exceed the total amount paid to CDTI hereunder.

PERMISSIBLE VARIATIONS, STANDARDS, TOLERANCE Except as buyer may otherwise specify/negotiate and has expressly agreed to by CDTI in writing, all goods referred to herein shall be produced in accordance with CDTI's standard practices. All goods, including those products where variations are permissible, shall be produced consistent with the usage of the trade and regular manufacturing practices concerning dimensions, weight, composition, quality, deviations from tolerances and variations consistent with practical testing and inspection methods, and regular run practices concerning over and under shipment.

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