

ALBANY INTERNATIONAL CORP.
TERMS AND CONDITIONS OF PURCHASE

1. Agreement. Unless otherwise agreed to in a writing signed by Albany International Corp. ("Buyer"), Buyer's Purchase Order ("PO"), together with the terms and conditions ("Terms") provided herein, is the entire agreement between Buyer and Seller with respect to the goods and/or services ("Goods") specified. No course of dealing or usage of the trade shall be applicable unless expressly agreed to by Buyer in writing. No other document, including but not limited to, Seller's proposal, quotation or acknowledgement form, will be part of Buyer's PO unless specifically agreed to in writing by Buyer. ANY DIFFERENT OR ADDITIONAL TERMS ARE HEREBY OBJECTED TO BY BUYER. No right that Buyer may have regarding Buyer's PO may be waived or modified except by Buyer in writing. Seller acknowledges that time is of the essence. Failure to tender conforming goods by the delivery date specified by Buyer shall constitute a breach by Seller and Seller shall have no right to make a later conforming tender except upon prior written authorization by Buyer.

2. Price/Tax. If price is not stated in Buyer's PO or otherwise agreed to in writing by Buyer, the price shall be Seller's lowest prevailing market price. In any event, Seller warrants that the prices charged to Buyer hereunder are no higher than the prices charged by Seller for the same or similar items and quantities to any other buyer. Unless otherwise agreed to in writing by Buyer, terms of payment are net 60 days. Payment of invoices will not be deemed acceptance of Goods. Seller agrees that, unless otherwise indicated by Buyer, (i) prices specified by Buyer in any orders do not include any state or local sales, use or other tax for which an exemption is available, and (ii) such prices include all other applicable federal, state and local taxes in effect at the date of such order. Seller agrees to accept and use tax exemption certificates when furnished by Buyer. Federal Excise Tax, if applicable, must be shown separately on invoice.

3. Shipments. No charge will be allowed for packing or shipping unless designated by Buyer. If shipping costs are agreed to by Buyer, shipments must be packed to secure to the lowest transportation costs within the time specified for performance. Bills of lading must accompany each invoice. Orders not accompanied by packing lists will be conclusively deemed in the amount of Buyer's count or weight. If Seller's deliveries are behind the agreed upon schedule, Buyer may elect to have further deliveries made by express shipments and Seller shall bear the difference between freight and express shipping rates. Seller shall bear all risk of loss or damage to goods covered hereunder until acceptance by Buyer as described in Section 4 below. If requested by Buyer, Seller shall provide to Buyer U.S. Customs Form 7543 entitled "Certificate of Delivery" properly executed, as well as U.S. Customs Form 7501, "Entry Summary".

4. Acceptance/Rejection. If within a reasonable time after delivery Buyer finds the Goods, or any part thereof, to be defective in workmanship or materials or otherwise not in conformity with Buyer's PO including, without limitation, the drawings and/or specifications pertaining hereto, Buyer may, at its discretion, by written notice to Seller, as to such Goods, (i) rescind Buyer's PO, (ii) accept them at an equitable reduction in price, (iii) reject and hold them, at Seller's expense subject to their disposal, and require the delivery of replacement goods, or payment to Buyer of the replacement cost of such Goods, or (iv) return them freight collect. If Seller fails to deliver such required replacements promptly, Buyer may (i) replace such Goods and/or Services and charge Seller with the cost incurred thereby, or (ii) terminate Buyer's PO. Payment by Buyer prior to final inspection and acceptance shall not constitute acceptance.

5. Changes/Cancellation. Buyer shall have the right at any time to make changes in quantities, in drawings and specifications, in delivery schedules, and methods of shipment and packages. Changes shall not be binding upon Buyer unless evidenced by a PO change-notice issued and signed by Buyer. Buyer may cancel any order in whole or in part (i) at any time prior to acceptance by Seller and (ii) thereafter, in case 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 and conditions of such order.

6. Buyer's Property. All tools, equipment or material furnished to Seller by Buyer shall be and remain the personal property of Buyer and, whenever practicable, shall be plainly marked by Seller as the property of Buyer and shall be safely stored separately and apart from Seller's property. Buyer's property while in Seller's custody shall be held at Seller's risk, shall be insured by Seller at Seller's expense in amounts equal to

replacement costs with loss payable to Buyer and shall be subject to removal at Buyer's request.

7. Buyer's Premises. If Seller, its employees, agents, or sub-contractors are to furnish any labor or services of any kind whatsoever on Buyer's premises in connection with any order: Seller agrees to abide by Buyer's rules and regulations governing contractors and suppliers while working on or maintaining facilities on Buyer's premises, copies of which will be furnished on request; and Seller shall, before starting work, furnish Buyer with certificates from insurance carriers of Seller and Seller's sub-contractors (if any) that policies of insurance have been issued covering their legal liability under (i) applicable workmen's compensation and occupational disease laws; (ii) public liability insurance with limits of \$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury or death and \$1,000,000 per occurrence/\$2,000,000 aggregate for property damage, including loss of use thereof; (iii) contractual liability insurance covering the indemnification set forth in paragraph 11 hereof; and (iv) motor vehicle liability insurance with limits of \$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury or death and \$50,000 for property damage, including loss of use thereof.

8. Buyer's Use. Buyer, its successors and assigns, may subject all goods to further manufacture, may combine them with other articles, or sell or put them to any use whatsoever, and no claim for royalties or additional compensation may be made by Seller or anyone else by reason of such manufacture, combination, sale or use. All unpatented ideas, information, designs, devices, prints, drawings and technical data concerning Seller's products, methods or manufacturing processes which Seller discloses or furnishes to Buyer in connection with any order shall, except only to the extent as may be otherwise specifically agreed in writing by Buyer and Seller, be deemed to have been disclosed or furnished as part of the consideration for such order, and Seller agrees not to assert any claims by reason of Buyer's use, duplication or disclosure thereof.

9. Warranty. Seller expressly warrants that all materials and articles furnished (hereinafter called "goods") will conform to applicable specifications, drawings and samples, that they will be free from defects in material and workmanship, and that they will be fit for their intended use. Said warranties, however, shall not be deemed to limit any warranties or representations of additional scope given to Buyer by Seller or any warranties implied by law. The period fixed by law or agreement during which Buyer may assert any claim pursuant to applicable warranties shall commence with the date on which the goods are first put into use.

10. Indemnity. Seller shall indemnify and hold Buyer, its successors and assigns, harmless from and against any and all actions, claims, liability, cost, damage or expense including attorneys' fees and other expenses of defense, attributable in whole or in part to any act or omission of Seller, its employees, agents or sub-contractors arising out of or in connection with (i) the filling of this order or Seller's performance hereunder, or (ii) the furnishing of any labor or services hereunder, or (iii) the use or sale of any goods or services provided for herein by Buyer or its customers, or (iv) Seller's violation of or failure to comply with any applicable law, rule, regulation or governmental, court or administrative order. The aforesaid obligations of Seller shall be in addition to and not in limitation of any other right, including common law indemnity, to which Buyer may be entitled, and Seller's said obligation shall not be limited or restricted for any cause whatsoever including the use or operation of Buyer's materials, tools or equipment by Seller, its employees, agents or sub-contractors.

11. Infringement. Seller shall indemnify, defend and hold Buyer, its successors and assigns, harmless from and against any and all actions, claims, liability, cost, damage or expense, including attorneys' fees and other expenses, with respect to any claim of patent infringement or the infringement of any proprietary information of third parties arising out of the manufacture, use or sale of the goods called for by any order; provided that this provision shall not apply if any such claim relates to specifications or information furnished to Seller by Buyer.

12. Compliance with Laws. Seller agrees that it will comply with all federal, state, and local laws and regulations applicable to the production, sale and delivery of the goods or the furnishing of any labor or services, and any provisions required thereby shall be deemed to be incorporated herein by reference. Without limiting the generality of the foregoing, Seller certifies that to the extent such laws are applicable, (a) all goods have been or will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, and a certification evidencing such compliance shall be printed, stamped or typed on Seller's invoices, and (b)

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all goods furnished will conform to and comply with the Occupational Safety and Health Act of 1970 and the standards and regulations issued thereunder. The clauses set forth in subsections 52.222-26 (Equal Opportunity), 52.222-35 (Affirmative Action for Special Disabled and Vietnam Era Veterans), 52.222-36 (Affirmative Action for Handicapped Workers), 52.203-6 (Restrictions on Subcontractor Sales to the Government), 52.203-7 (Anti-Kickback Procedures), 52.203-11 (Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions), 52.203-12 (Limitation on Payments to Influence Certain Federal Transactions), 52.219-9 (Small Business and Small Disadvantaged Business Subcontracting Plan), 52.220-3 (Utilization of Labor Surplus Area Concerns), 52.222-1 (Notice to the Government of Labor Disputes), 52.222-21 (Certification of Non-segregated Facilities), 52.222-37 (Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era), 52.223-2 (Clean Air and Water Certification), 52.227-1 (Authorization and Consent) and 52.227-2 (Notice and Assistance Regarding Patent and Copyright Infringement) of the Federal Acquisition Regulation are incorporated herein by reference to the extent required by law and/or pursuant to any agreement between Buyer and an executive agency of the United States government, or a supplier to such an agency, to be so incorporated. Seller agrees to incorporate these clauses into any agreements with its own contractors or suppliers to the extent required by such of the above clauses as are incorporated by reference herein. Seller acknowledges that acceptance of any order shall be deemed a certification by Seller of certain statements set forth in the incorporated clause. For Goods produced/assembled/performed in or delivered to the United States, Seller (i) warrants that each chemical substance constituting or contained in Goods and Services sold or otherwise transferred to Buyer hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (P.L. No. 92-573) as amended, (ii) certifies and guarantees that the Goods supplied hereunder are in compliance with applicable sections of the Federal Hazardous Substances Act (P.L. No. 92-516), as amended, and lawful standards and regulations thereunder, (iii) agrees to identify all hazardous materials contained in items delivered to Buyer and provide all relevant information pursuant to the Occupational Safety and Health Act (OSHA) regulations 29 CFR § 1910.1200, including a completed Material Safety Data Sheet (OSHA Form 20) in addition, the mandated labeling information, (iv) represents, warrants and undertakes, at its sole cost, to supply Goods under this Purchase Order in compliance with European Union Regulation Number 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), or any similar law or regulation adopted by any country or jurisdiction in the world, which would prevent or restrict the sale or transport of the Goods. Upon request, Seller shall timely provide Buyer with information regarding the chemical composition of the Goods, including information regarding the registration with, authorization by, or notifications to the European Chemical Agency under REACH. Without the need for a request by Buyer, Seller shall notify Buyer of any chemical substances contained in the Goods which are listed in Annex XIV of REACH (i.e., Substances of Very High Concern), as that annex may be amended or supplemented, (v) commits to comply with Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act and its implementing regulations (the "Act"). Seller commits to have in place a supply chain policy and processes to undertake (a) a reasonable inquiry into the country of origin of Conflict Minerals (as such term is defined by the Act) incorporated into products it provides Buyer; (b) due diligence of its supply chain, following a nationally or internationally recognized due diligence framework, as necessary, to determine if Conflict Minerals directly or indirectly supports unlawful conflict; (c) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures, and (d) any and all other measures necessary to comply with the Act, including any amendments thereto. Seller represents that no products supplied under Buyer's PO have been produced utilizing forced, indentured or convict labor or utilizing the labor of persons in violation of the minimum working age law in the country of manufacture. In the event Buyer determines Seller's certification to be inaccurate or incomplete, Buyer shall have the right to immediately terminate Buyer's PO without further compensation to the Seller. Seller shall indemnify and hold harmless Buyer from and against any costs, liabilities, claims and expenses (including without limitation, attorneys'

fees) arising out of or in connection with the representations made by Seller in this Section 12.

13. Assignment. Except as otherwise expressly provided therein, no order shall be assignable by Seller without the prior written consent of Buyer.

14. Governing Law. These Terms shall be construed in accordance with the laws of the State of New York, United States. The applicability of the UN Convention on Contracts for the International Sale of Goods is hereby expressly waived by the parties.

15. Confidential Information. All disclosures, drawings, patterns, specifications or technical information furnished to Seller by Buyer are submitted in confidence upon the understanding and agreement by Seller that they shall not be disclosed or furnished to any third party, shall not be used by Seller in whole or in part for any purpose not designated by Buyer, and shall be returned to Buyer immediately upon Buyer's request. Furthermore, Seller shall make no announcements concerning the fact that Seller has contracted to supply any materials or services for Buyer without the prior written permission of Buyer.

16. Publicity. Advertising, press releases, or marketing or sales brochures and any other publicity identifying the existence of Buyer's PO or relating to Buyer in any way may not be released or published without the prior written permission of Buyer.

17. International Dispute Resolution. Where Seller is domiciled, and the Goods and Services are produced/assembled/performed, outside the United States, all disputes arising in connection with this Purchase Order shall be finally settled by arbitration by a panel of three arbitrators, in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce. The expense of such arbitration shall be borne equally by Buyer and Seller, but each party will pay its own attorneys' fees. The seat of arbitration shall be Albany, New York, U.S.A. The arbitration shall be conducted in English and both parties shall have the right to present documentary evidence and witnesses. Both parties shall also have the right to cross examine witnesses. The decision of the arbitrators shall be final and binding upon both parties, and neither party shall seek recourse to a law court or other authorities to appeal for revisions of such decision.

18. Domestic Dispute Resolution. Where Seller is domiciled, or the goods and services are produced/assembled/performed within the United States, all disputes arising in connection with this Purchase Order shall be settled in State or Federal courts in Albany, New York, U.S.A. Seller hereby submits to the jurisdiction of New York State or Federal Court, as applicable, sitting in Albany, New York, and agrees that it may be served with all litigation documents (including the initiation of litigation) via Certified Mail, Federal Express, or other recognized delivery service, which provides evidence of delivery.

19. Currency. Seller warrants that it is authorized to receive payment in the currency stated in Buyer's PO and shall be responsible for any costs, taxes, fees, or fines incurred if Buyer is required to make payment in any other currency.

20. Non-Exclusive Agreement. Seller agrees that this is not an exclusive agreement. Buyer is free to purchase Goods which are the same or similar to Seller's Goods from any third party.

21. Survival. Any obligations which by their nature extend beyond the expiration or earlier termination of these Terms shall survive.

22. Force Majeure. Strikes, fires, litigations, accidents or other causes beyond the control of Buyer, which shall affect Buyer's ability to receive and use the goods, shall constitute valid ground for suspension of shipment under any order, upon notification to Seller.

23. Limitation on Buyer's Liability. In no event shall Buyer be liable to Seller for any indirect, consequential, incidental or special damages.

24. Insurance. Seller shall, at its own expense, procure and maintain in full force and effect during the performance of its obligations hereunder, through companies and agencies reasonably satisfactory to Buyer and in such specific forms as shall be reasonably required by Buyer, insurance in the amounts of Auto \$1,000,000 per occurrence, General Liability \$1,000,000 per occurrence, Workers Compensation \$1,000,000 or the statutory limit per occurrence, and Employers Liability \$1,000,000 per occurrence. Seller warrants to Buyer that Seller has the aforesaid insurance coverage in effect and shall provide Buyer with certificates evidencing the aforesaid insurance coverages before commencing the delivery of Products pursuant to this Agreement.