

AVK Elastomer Technology, Inc.

2156 Meridian Blvd, Minden, NV 89423

Peter Lorentzen, Chief Financial Officer

Date: March 16, 2023

Application Facts:

Industry	Manufacturing
NAICS	326296
Type of App	New
Location	Douglas County
RDA	NNDA, Amy Barnes

Company Profile

AVK Elastomer Technology, Inc. (AVK Tech) plans to build a new 36,400 sq. ft. high-tech manufacturing facility in Minden. AVK Tech advises on, and delivers, total solutions with high-quality rubber components for use under demanding conditions, especially for the drinking water sector, the food industry, the energy sector, healthcare industry, and the technical and chemical sectors. AVK Tech's products consist of rubber sealing solutions for components such as valves, pumps and various fittings. The company looks at critical issues and helps its clients develop solutions in all aspects, from design, material selection, and functionality. The Minden facility will serve the company's existing US customer base and generate new sales in US. Existing products will be moved from China and Europe. The company is headquartered in Denmark, and as a global organization, recognizes in all respects the principles of the United Nations Global Compact concerning human rights, workers' rights, the environment and anti-corruption. As such the company has incorporated the principles into its daily activities, and guidelines, and ensures both national and international legislation is complied with. *Source: AVK Elastomer Technology, Inc.*

Tax Abatement Requirements:	Statutory	Company Application	Meeting Requirements
Job Creation	10	12	Yes
Average Wage	\$28.14	\$28.42	Yes
Equipment Capex (SU & MBT)	\$250,000	\$4,005,000	Yes
Equipment Capex (PP)	\$1,000,000		
Additional Requirements:			
Health Insurance	65%	100%	Yes
Revenues generated outside NV	51%	60%	Yes
Business License	<input checked="" type="checkbox"/> Current	<input type="checkbox"/> Pending	<input type="checkbox"/> Will comply

Total Tax Liability (without tax abatements)	Direct (company)	Total
	\$631,051	\$5,539,164

Tax Abatements	Contract Terms	Estimated Tax Abatement
Sales Tax Abmt.	2% for 2 years	\$204,255
Modified Business Tax Abmt.	50% for 4 years	\$8,608
Personal Property Tax Abmt.	50% for 10 years	\$164,740
Total Estimated Tax Abatement over 10 yrs.		\$377,603

Net New Tax Revenues	Direct	Indirect	Taxes after Abatements
Local Taxes			
Property	\$722,923	\$644,101	\$1,367,024
Sales	\$144,373	\$129,005	\$273,378
Lodging	\$0	\$34,503	\$34,503
State Taxes			
Property	\$35,214	\$68,206	\$103,420
Sales	\$136,717	\$109,978	\$246,695
Modified Business	\$74,665	\$64,611	\$139,276
Lodging	\$0	\$1,025	\$1,025
Total Estimated New Tax Revenue over 10 yrs.	\$1,113,892	\$4,047,669	\$5,161,561

Economic Impact over 10 yrs.	Direct	Construction	Total
Total Jobs Supported	35	39	74
Total Payroll Supported	\$17,738,426	\$2,483,955	20,222,381
Total Economic Value	\$78,648,795	\$7,341,475	85,990,270

IMPORTANT TERMS & INFORMATION

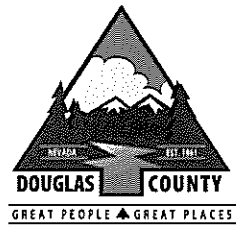
Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment.

Total Estimated Tax Abatement is a tax reduction estimate. This estimated amount will be discounted from total tax liability.

Estimated New Tax Revenue is amount of tax revenues local and state government will collect after the abatement was given to applying company.

Economic Impact is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.

Mark Gardner
Sharla Hales
Walt Nowosad
Wesley Rice
Danny Tarkanian



1594 Esmeralda Avenue
Minden, Nevada 89423

www.douglascountynv.gov
775-782-9821

BOARD OF COUNTY COMMISSIONERS

March 2, 2023

Melanie Sheldon
Senior Director of Business Development
Governor's Office of Economic Development
555 E. Washington Avenue, Suite 5400
Las Vegas, NV 89101

Re: Incentives for AVK Elastomer Technology

Dear Ms. Sheldon:

At its March 2, 2023 meeting, the Douglas County Board of Commissioners took action to acknowledge and support the incentive request submitted by AVK Elastomer Technology.

The company is requesting State allowed incentives for Sales & Use Tax Abatement, Personal Property Tax Abatement and Modified Business Tax Abatement.

Douglas County supports AVK Elastomer Technology in its application for the allowed State tax incentives and requests the Governor's Office of Economic Development Board act favorably upon the request.

If you have any additional questions regarding this letter, please contact Lisa Granahan, Economic Vitality Manager, at (775) 781-3775 or by e-mail at Lgranahan@douglasnv.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Gardner', written in a cursive style.

Mark Gardner, Chairman
Douglas County Commission

XC: Northern Nevada Development Authority
Lisa Granahan, Economic Vitality Manager

February 22, 2023

Mr. Tom Burns
Executive Director
Governor's Office of Economic Development
555 E. Washington Ave., Suite 5400 Las Vegas, NV 89101

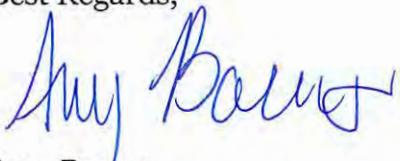
Dear Mr. Burns

Northern Nevada Development Authority (NNDA) is pleased to provide this letter of support of AVK Elastomer Technologies application for the Sales Tax Abatement, the Modified Business Tax Abatement, the Personal Property Tax Abatement as stated on the attached incentive application.

We have reviewed the application submitted by AVK Elastomer Technologies and we are working with them in support of their efforts to locate a new facility in Douglas County Nevada. The company will add 12 new jobs in the first two years with an average wage of \$28.42 per hour and total investment of \$9.3 million dollars.

NNDA respectfully request this application be considered by the Governor's Office of Economic Development and be placed on the next available GOED Board agenda to review and action.

Best Regards,



Amy Barnes
Director of Business Development
Northern Nevada Development Authority



Thomas Burns, Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington Ave., Suite 5400
Las Vegas, NV 89101

Your reference:
Thomas Burns

Our reference:
PLO/vj

Date:
December 8, 2022

Dear Mr. Burns,

We, AVK GUMMI A/S, develop, manufacture, and sell rubber solutions with high demands on quality and know-how and are situated in Laasby, Denmark with a factory of 21.000m² (226042 sq ft). The drinking water sector, the food industry, the healthcare and chemical industries are primary segments. AVK GUMMI is among the world leaders in these areas and have subsidiaries in China and Netherland and is part of the AVK Group. In 2020 AVK GUMMI A/S established a subsidiary in the US, AVK Elastomer Technology, situated in Minden NV with one sales representative, located in Richmond VA.

Now, we are currently planning to build a brand-new factory for production of rubber items in Minden Nevada, to supply American AVK with parts for their valve program and to be able to cover the demand for rubber products for the above market segments.

Our plan is to build our new factory of 3.400 m² (36.400 sq ft) on a lot in Minden, NV. We have particularly chosen this location in Minden, NV because of the advantages of building next to our sister company, but not least due to the tax abatement programs made available from the State of Nevada. And further, we understand that the general business climate in Nevada is very friendly and positive to new business initiatives.

If everything runs smoothly and according to our plans, we expect to start the building process in August 2023 and to be operational by the end of April 2024. Hopefully, we will be able to recruit the new employees for the factory from the local area in Minden. In the first phase, we estimate that we will create about 12 new jobs and hope to expand further after 5 years.

In all respects AVK GUMMI A/S recognize the principles of the United Nations Global Compact regarding human rights, labor standards, environment, and anti-corruption. We have incorporated the principles in all our activities and guidelines also for our subsidiaries. Further, AVK GUMMI A/S is certified in accordance with ISO 9001 and IATF 16949. In addition, we have an extraordinarily clean and safe production environment certified in accordance with ISO 45001. We plan to extend those certifications to include the new factory.

Enclosed please find our application for the tax abatements offered by the State of Nevada, pro-forma health insurance quote, company profile. If you have questions or need further information from us, please let me know.

Best regards
AVK GUMMI A/S

Peter Lorentzen, CEO

Direct Phone: +45 24225040, E-mail: plo@avkgummi.dk

ECONOMIC DEVELOPMENT

Incentive Application

Company Name: AVK Elastomer Technology, Inc.
 Date of Application: December 17, 2022

Company is an / a: (check one)

- New location in Nevada
 Expansion of a Nevada company

Section 1 - Type of Incentives

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement Sales & Use Tax Deferral
 Modified Business Tax Abatement Recycling Real Property Tax Abatement
 Personal Property Tax Abatement Other: _____

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) AVK Elastomer Technology, Inc.			FEDERAL TAX ID # 85-1539559
CORPORATE ADDRESS 2156 Meridian Blvd (proposed)	CITY / TOWN Minden	STATE / PROVINCE Nevada	ZIP 89423
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above) Mosegaardvej 1	CITY / TOWN Laasby	STATE / PROVINCE Denmark	ZIP DK8670
TELEPHONE NUMBER +45-86-95-13-11 (Denmark)	WEBSITE www.avkelastomertechnology.com		
COMPANY CONTACT NAME Peter Lorentzen	COMPANY CONTACT TITLE CEO		
E-MAIL ADDRESS plo@avkgummi.dk	PREFERRED PHONE NUMBER +45 24 22 50 40 (Denmark)		

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development? Yes No
 If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

Section 3 - Program Requirements

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In both urban and rural areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage.

Note: Criteria is different depending on whether the business is in a county where the population is 100,000 or more or a city where the population is 60,000 or "urban" area), or if the business is in a county where the population is less than 100,000 or a city where the population is less than 60,000 (i.e., "rural" area).

Section 4 - Nevada Facility

Type of Facility:

- Headquarters Service Provider
 Technology Distribution / Fulfillment
 Back Office Operations Manufacturing
 Research & Development / Intellectual Property Other: _____

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA 60%	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) Apr-2024		
NAICS CODE / SIC 326296	INDUSTRY TYPE All other Rubber Product Manufacturing		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS Manufacturing of rubber products for the water, food, pharmaceutical and energy segments			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS 2156 Meridian Blvd. (proposed)	CITY / TOWN Minden	COUNTY Douglas County	ZIP 89423
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? None			

Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up	Expansions
How much capital investment is planned? (Breakout below):	How much capital investment is planned? (Breakout below):
Building Purchase (if buying): _____	Building Purchase (if buying): _____
Building Costs (if building / making improvements): <u>\$5,147,000</u>	Building Costs (if building / making improvements): _____
Land: <u>\$0</u>	Land: _____
Equipment Cost: <u>\$4,005,000</u>	Equipment Cost: _____
Total: <u>\$9,152,000</u>	Total: _____
	Is the equipment purchase for replacement of existing equipment? _____
	Current assessed value of personal property in NV: _____
	(Must attach the most recent assessment from the County Assessor's Office.)

Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up	Expansions
How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: <u>12</u>	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: _____
Average hourly wage of these <u>new</u> employees: <u>\$28.42</u>	Average hourly wage of these <u>new</u> employees: _____
	How many FTE employees prior to expansion?: _____
	Average hourly wage of these <u>existing</u> employees: _____
	Total number of employees after expansion: _____

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- | | | | |
|---|--|---|---|
| <input checked="" type="checkbox"/> Overtime | <input checked="" type="checkbox"/> Merit increases | <input checked="" type="checkbox"/> Tuition assistance | <input checked="" type="checkbox"/> Bonus |
| <input checked="" type="checkbox"/> PTO / Sick / Vacation | <input checked="" type="checkbox"/> COLA adjustments | <input checked="" type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input type="checkbox"/> Other: _____ |

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

Section 9 - Employee Health Insurance Benefit Program

Is health insurance for employees and is an option for dependents offered?: Yes (attach health plan and quote or invoice) No

Package includes (check all that apply):

- | | | | |
|---|--|--|--|
| <input checked="" type="checkbox"/> Medical | <input checked="" type="checkbox"/> Vision | <input checked="" type="checkbox"/> Dental | <input checked="" type="checkbox"/> Other: <u>Life</u> |
|---|--|--|--|

Qualified after (check one):

- | | | | |
|--|---|---|--|
| <input type="checkbox"/> Upon employment | <input type="checkbox"/> Three months after hire date | <input type="checkbox"/> Six months after hire date | <input checked="" type="checkbox"/> Other: <u>Two months after hire date</u> |
|--|---|---|--|

Health Insurance Costs:	Percentage of health insurance premium by (min 65%):
Plan Type: <u>HSA 3000</u>	
Employer Contribution (annual premium per employee): <u>\$ 13,863.00</u>	Company: <u>100%</u>
Employee Contribution (annual premium per employee): _____	Employee: <u>0%</u>
Total Annual Premium: <u>\$ 13,863.00</u>	

[SIGNATURE PAGE FOLLOWS]


Section 10 - Certification

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Peter Lorentzen

Name of person authorized for signature


Signature

CEO

Title

21/12 - 2022
Date

Nevada Governor's Office of Economic Development

555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • www.diversifynevada.com

Site Selection Factors

Company Name: AVK Elastomer Technology, Inc.

County: Douglas

Section I - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

Availability of qualified workforce:	<u>5</u>	Transportation infrastructure:	<u>5</u>
Labor costs:	<u>5</u>	Transportation costs:	<u>5</u>
Real estate availability:	<u>4</u>	State and local tax structure:	<u>5</u>
Real estate costs:	<u>4</u>	State and local incentives:	<u>5</u>
Utility infrastructure:	<u>5</u>	Business permitting & regulatory structure:	<u>4</u>
Utility costs:	<u>5</u>	Access to higher education resources:	<u>5</u>

Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

5(A) Capital Equipment List

Company Name: AVK Elastomer Technology, Inc.

County: Douglas

Section I - Capital Equipment List

Directions: Please provide an estimated list of the equipment [columns (a) through (c)] which the company intends to purchase over the two-year allowable period. For example, if the effective date of new / expanded operations begins April 1, 2015, the two-year period would be until March 31, 2017. Add an additional page if needed. For guidelines on classifying equipment, visit: tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal_Property_Manuals. Attach this form to the Incentives Application.

(a) Equipment Name/Description	(b) # of Units	(c) Price per Unit	(d) Total Cost
Ventilation 20.000 m3	1	\$300,000.00	\$300,000.00
Electricity (800 amp)	1	\$150,000.00	\$150,000.00
Cooling system for machines	1	\$225,000.00	\$225,000.00
Air compressor	1	\$75,000.00	\$75,000.00
Piping for compressed air	1	\$30,000.00	\$30,000.00
IT (PC, server etc)	1	\$45,000.00	\$45,000.00
Cooled stock for storage of rubber	1	\$45,000.00	\$45,000.00
Furnitures	1	\$30,000.00	\$30,000.00
Storage shelves	1	\$45,000.00	\$45,000.00
Crane for mould area	1	\$30,000.00	\$30,000.00
Assesories mould area	1	\$25,000.00	\$25,000.00
Mould for injection part	5	\$35,000.00	\$175,000.00
Forklift	1	\$50,000.00	\$50,000.00
Roller mill - second hand	1	\$125,000.00	\$125,000.00
Bead blasting	1	\$200,000.00	\$200,000.00
Dip painting line	1	\$225,000.00	\$225,000.00
Manuel painting DC box	1	\$50,000.00	\$50,000.00
Storage of paint (EX)	1	\$125,000.00	\$125,000.00
Nut pressing machine (MIP)	1	\$325,000.00	\$325,000.00
400 tonne Desma injection machine	1	\$275,000.00	\$275,000.00
250 tonne Desma injection machine	1	\$200,000.00	\$200,000.00
250 tonne Desma injection machine	1	\$200,000.00	\$200,000.00
1200 tonne Yizumi injection machine	1	\$300,000.00	\$300,000.00
200 tonne double compression Yizumi	1	\$150,000.00	\$150,000.00
Induction heating - injection machine	1	\$100,000.00	\$100,000.00
Furnace - preheating	1	\$30,000.00	\$30,000.00
Dry-ice cleaning	1	\$30,000.00	\$30,000.00
Furnace - postcuring	1	\$15,000.00	\$15,000.00
Equioment for inspection area	1	\$20,000.00	\$20,000.00
Rheometer	1	\$60,000.00	\$60,000.00
Robotize system in internal transport	1	\$350,000.00	\$350,000.00
TOTAL EQUIPMENT COST			\$4,005,000.00

Is any of this equipment* to be acquired under an operating lease? Yes No

*Certain lease hold equipment does not qualify for tax abatements

5(B) Employment Schedule

Company Name: AVK Elastomer Technology, Inc.

County: Douglas

Section 1 - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2015, the date would fall in Q2, 2015. The end of the first eighth quarter would be the last day of Q2, 2017 (i.e., June 30, 2017). Attach this form to the Incentives Application. A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a "primary job" as set forth in NAC 360.474.

Please use the Bureau of Labor Statistics Standard Occupational Classification System (SOC) link to populate section (b): https://www.bls.gov/soc/2018/major_groups.htm#11-0000

(a) New Hire Position Title/Description	(b) Position SOC Code	(c) Number of Positions	(d) Average Hourly Wage	(e) US Bureau of Labor Statistics Average Hourly Wage	(f) Average Weekly Hours	(g) Annual Wage per Position	(h) Total Annual Wages
General and Operations Managers	11-1021	1	\$50.00	\$54.64	40	\$104,000.00	\$104,000.00
Sales Managers	11-2022	2	\$44.00	\$54.36	40	\$91,520.00	\$183,040.00
Logisticians	13-1081	1	\$30.00	\$34.45	40	\$62,400.00	\$62,400.00
Civil Engineers	17-2051	1	\$44.00	\$60.48	40	\$91,520.00	\$91,520.00
First-Line Supervisors of Office and Administrative Support Workers	43-1011	1	\$27.00	\$28.34	40	\$56,160.00	\$56,160.00
Miscellaneous Assemblers and Fabricators	51-2098	6	\$17.00	\$16.68	40	\$35,360.00	\$212,160.00
TOTAL		12	\$28.42	\$32.22			\$709,280.00

Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete columns (b) and (c). These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment. Please enter the estimated new full time employees on a year by year basis (not cumulative)

(a) Year	(b) Number of New FTE(s)	(c) Average Hourly Wage	(d) Payroll
3-Year	4	\$28.42	\$236,426.67
4-Year	4	\$28.42	\$236,426.67
5-Year	4	\$28.42	\$236,426.67

* Column (e) determines if wage is commensurate to current wage ranges in the region the company plans to locate/is located. For these purposes the mean average hourly wage for the location has been used.

U = Unknown / data set for region is not currently available.

Source: US Bureau of Labor Statistics

5(C) Evaluation of Health Plans Offered by Companies

Company Name: AVK Elastomer Technology, Inc.

County: Douglas

Total Number of Full-Time Employees: 12

Average Hourly Wage per Employee \$28.42
 Average Annual Wage per Employee (implied) \$59,106.67

COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$13,863

Percentage of Premium Covered by:

Company 100%

Employee 0%

HEALTH INSURANCE PLANS:

Base Health Insurance Plan*: **Aetna HSA Managed choice 3000**

Deductible - per employee \$3,000

Coinsurance 100% plan coverage

Out-of-Pocket Maximum per employee \$3,000

Additional Health Insurance Plan*: **Aetna PPO Managed choice 1500**

Deductible - per employee \$1,500

Coinsurance 100% plan coverage

Out-of-Pocket Maximum per employee \$6,000

Additional Health Insurance Plan*:

Deductible - per employee \$ -

Coinsurance

Out-of-Pocket Maximum per employee

*Note: **Please list only "In Network" for deductible and out of the pocket amounts .**

Generalized Criteria for Essential Health Benefits (EHB)

[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]

Covered employee's premium not to exceed 9.5% of annual wage 0.0% MMQ

Annual Out-of-Pocket Maximum not to exceed \$9,100 (2023) \$3,000 MMQ

Minimum essential health benefits covered (Company offers PPO):

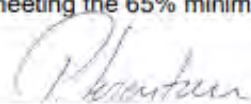
- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Peter Lorentzen
 Name of person authorized for signature

CEO
 Title


 Signature

21 December 2022
 Date

5(D) Company Information

Company Name: AVK Elastomer Technology, Inc.

County: Douglas

Section I - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. *The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.*

(a) Name	(b) Title
Peter Lorentzen	CEO
Anders G. Christensen	Director
Henning B. Pedersen	Financial Manager
Edward Wright Jr.	Secretary

Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No Yes

If Yes, continue below:

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

1. The names as they would read on the tax exemption letter.
2. Which entity(ies) will do the hiring?
3. Which entity(ies) will be purchasing the equipment?

Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship

Please include any additional details below:

SECRETARY OF STATE



DOMESTIC CORPORATION (78) CHARTER

I, BARBARA K. CEGAVSKE, the duly qualified and elected Nevada Secretary of State, do hereby certify that **AVK Elastomer Technology Inc.** did, on 06/11/2020, file in this office the original Articles of Incorporation-For-Profit that said document is now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said document contains all the provisions required by the law of the State of Nevada.

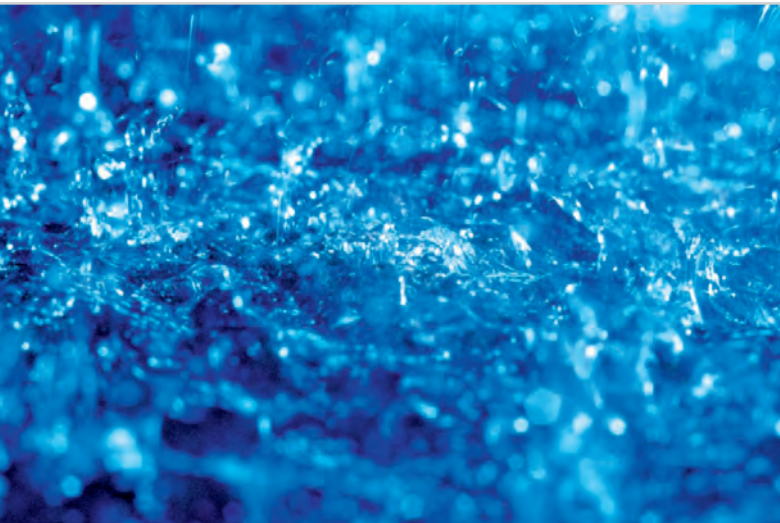


Certificate Number: B20200611853298
You may verify this certificate
online at <http://www.nvsos.gov>

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed the Great Seal of State, at my
office on 06/11/2020.

Barbara K. Cegavske

BARBARA K. CEGAVSKE
Secretary of State



HIGH PERFORMANCE RUBBER COMPONENTS

- for demanding applications



Quality and know-how

Development, production and sale of elastomer solutions with high demands on quality and know-how.

AVK GUMMI generates value for our customers through a sustainable, qualitative and target-oriented development. Our core values are Quality, Innovation, Co-operation, Professionalism and Credibility.

Whether you manufacture components for the drinking water sector or process equipment for use in the food industry, the healthcare or the chemical industry, AVK GUMMI can offer you the highest degree of security - also with respect to regulations and requirements concerning traceability.

Comprehensive research and development - For many years AVK GUMMI has developed rubber compounds for demanding applications. In addition, we have acquired sound experience in manufacturing many different sealing elements - e.g. for valves, pumps and filling equipment, used in dairies and breweries. Under extreme conditions, leak tight seals alone are not sufficient. We focus equally on properties such as:

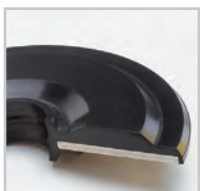
- Long lifetime
- Minimum permanent deformation
- Resistance to cleaning agents and products
- Cold flexibility
- Hygienic design
- Taste and smell neutrality
- Friction etc.

Based on the demands of our customers we find the right elastomer solutions - AVK GUMMI makes every effort to obtain the ideal combination of the many parameters available in order to optimise the function and durability of the seals. This is achieved through target-oriented research in our R&D department in addition to close collaboration with customers, end users, leading suppliers and research institutes.

AVK GUMMI lives up to all the relevant requirements, including EC1935:2004, 3-A Sanitary Standards, REACH, RoHS and ADIF. During the manufacturing process, data are collected continuously and stored for a minimum of five years or 20 years for medico products. By agreement, rubber components can be marked with information such as the type of rubber and production date.

What does this mean for you? - Optimum function and prolonged lifetime means a reduction in production interruption and therefore higher productivity, which again results in considerable savings for the end user.

AVK GUMMI always focuses on optimising the relation between price and performance.



Composites - AVK GUMMI manufactures high quality composite components. As an example, the illustration in the left hand corner shows a diaphragm in which EPDM and PTFE have been combined.



We have extensive experience of bonding rubber with stainless steel, various synthetics and fabrics. Bonding between materials must meet the highest quality demands. Therefore, AVK GUMMI has developed unique methods for pretreatment and the application of bonding agents. We cooperate closely with suppliers and research institutes in order to develop bonding agents that have been adjusted to the demands of our customers.



More than just elastomer seals

State-of-the-art mixing facilities - At AVK GUMMI we develop our own rubber qualities that we produce in our mixing plant. This means that all our know-how concerning materials, properties and manufacturing processes is gathered in one integrated unit. Based on the above, we are thus able to give our customers the best advice as to which rubber is the most suitable for a given application. This guarantees that the part supplied meets your specifications every time.

AVK GUMMI has one of the world's most advanced, fully automatic mixing plants. The raw materials are weighed and dosed automatically and with the greatest precision, which makes it possible for AVK GUMMI to manufacture rubber compounds of a uniquely high quality and uniformity. This reduces the risk of human error considerably.

Each charge subsequently undergoes thorough inspection prior to production release. The rubber compounds used for production at AVK Sealing Technology in China and AVK Ravestein in The Netherlands are produced in our Danish mixing plant and transported in climate controlled containers ensuring that the unique properties and the durability of the rubber is maintained.



Date marking facilitates traceability



Automated zero defect production



High-qualitative EPDM - also superior in dairy applications



Measuring and visual examination



Improved properties through systematic R&D



All materials are different. Due to the unique properties of rubber, it is often possible to combine various functional requirements. For instance, we manufacture a fuel intake pipe for a chainsaw in one of our heat and fuel resistant fluoroelastomer compounds, which also provides the required vibration dampening.

For other products, we use a combination of antistatic and fire suppression properties, and for instance for the marine engine industry, we offer impeller solutions with high demands on durability and flow rate.





AVK GUMMI manufactures very high quality elastomer components for use in demanding applications. The drinking water sector, the food industry, the energy sector, the healthcare and chemical industries are primary segments. AVK GUMMI is among the world leaders in these areas.



Rubber production started back in 1955 and is carried out today with modern, high-tech machinery. In 2001 AVK GUMMI commissioned one of the world's most advanced, fully automatic rubber mixing plants.

In 2004 AVK GUMMI established the subsidiary AVK Sealing Technology in Kunshan, China, and in 2019 Ravestein BV, now AVK Ravestein BV, in the Netherlands was acquired. Finally, AVK Eastomer Technology in the US was established in 2020.

At AVK GUMMI we are convinced that focusing on quality and the environment pays - not only at our factory in Denmark, but also at our factories in China and The Netherlands. Our management system is certified in accordance with ISO 9001 and IATF 16949 as well as ISO 45001 and ISO 14001.

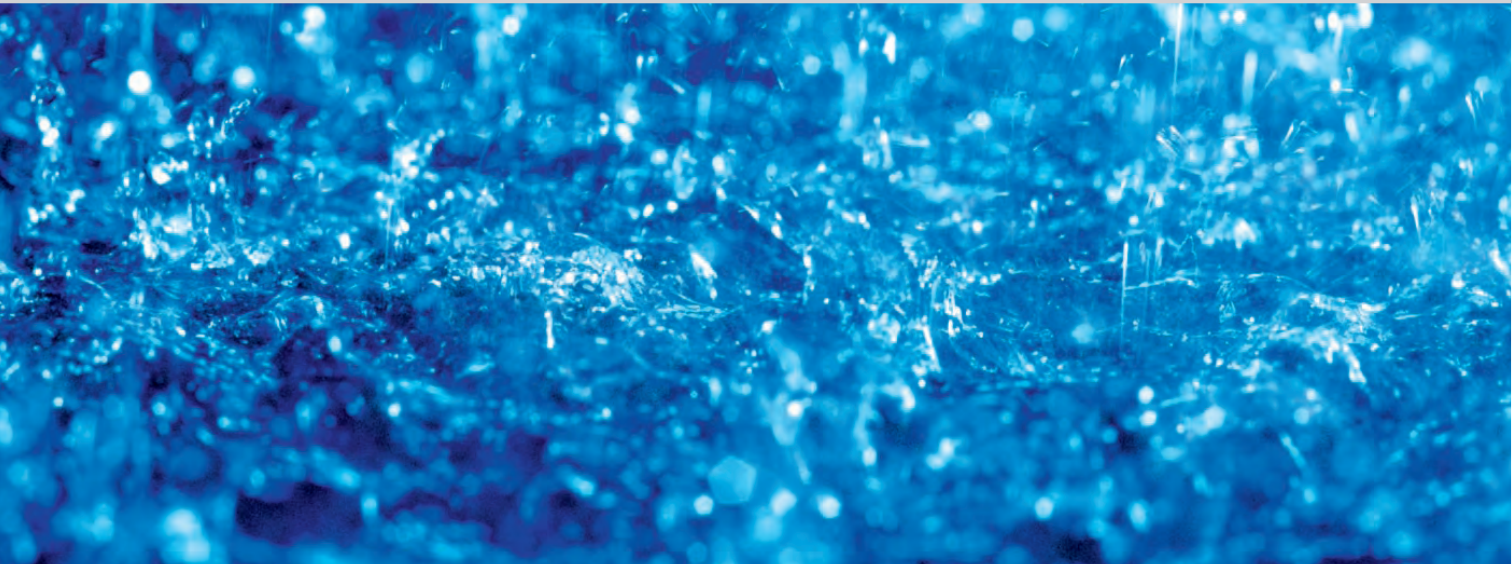
These systems include control of each rubber compound, full traceability, SPC control, FMEA and an extraordinarily clean production environment. This makes it possible for us to supply our co-operative partners with rubber components of a consistent high quality.



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Drinking water



HIGH PERFORMANCE RUBBER COMPONENTS

-for demanding applications

Drinking water

Rubber materials for contact with drinking water

Having a high drinking water quality requires that many different aspects are taken into consideration. One of these aspects is the rubber used for gaskets and liners. Although rubber only constitutes a small part of the entire drinking water system, it is of vital importance for hygiene and functionality. Fortunately, in connection with the approval of materials, the legislation in many countries sets maximum limits for allowed substances, the formation of biofilm, etc.

AVK GUMMI goes even further in order to ensure that our customers are given the best material properties, and that the end users are offered maximum safety and the best drinking water quality possible.

For more than 40 years AVK GUMMI has manufactured components for use in drinking water applications. Our experience in this field derives from many years of close co-operation with leading manufacturers of fittings, valves and pumps.

The following factors are of critical importance for a rubber sealing when used in connection with drinking water:

- Fulfilment of approvals and regulations
- Minimum permanent deformation, which ensures leak-tight gaskets
- Resistance to chemical processes used for water treatment, such as ozonation, chlorination and chloramination
- Taste and smell neutrality
- Change of volume of rubber in water
- Wear resistance, friction etc.



AVK GUMMI offers market leading solutions. The results of many comparative tests have shown that our compounds are in the forefront when it comes to compression set, taste and smell, friction and mechanical strength. We have the competences and the ambitions to contribute to the high quality of your products.

Rubber materials for contact with district heating water, waste water and industrial water

AVK GUMMI also co-operates with leading manufacturers of valves and fittings for other forms of water handling. The demands vary between the different industries, but factors such as reliable sealings, optimum function and a long lifetime are of course of equal importance in all segments. In district heating water, other types of chemicals are added, just as waste water and industrial water may contain different substances that must be considered.

AVK GUMMI offers a wide range of rubber compounds to match your exact needs. This is supported by thorough testing and documentation.

Many different aspects must be considered when developing rubber qualities for use in water applications. When you decide to work with AVK GUMMI you will be sure to be given competent support and a solution that works.



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Food



H I G H P E R F O R M A N C E R U B B E R C O M P O N E N T S

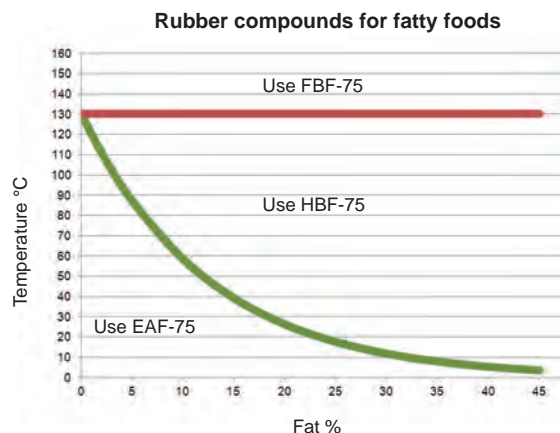
-for demanding applications

Food

Rubber materials for contact with food

For more than 40 years AVK GUMMI has manufactured rubber components for use in the food industry. Through target-orientated research, e.g. in the area of hygienic design, and a close dialogue with the public authorities on a worldwide basis we can offer our customers well-documented solutions.

Our rubber compounds naturally comply with the international standards FDA 21 CFR 177.2600, BfR XXI/XV and 3-A Sanitary Standards (18-03). Furthermore,



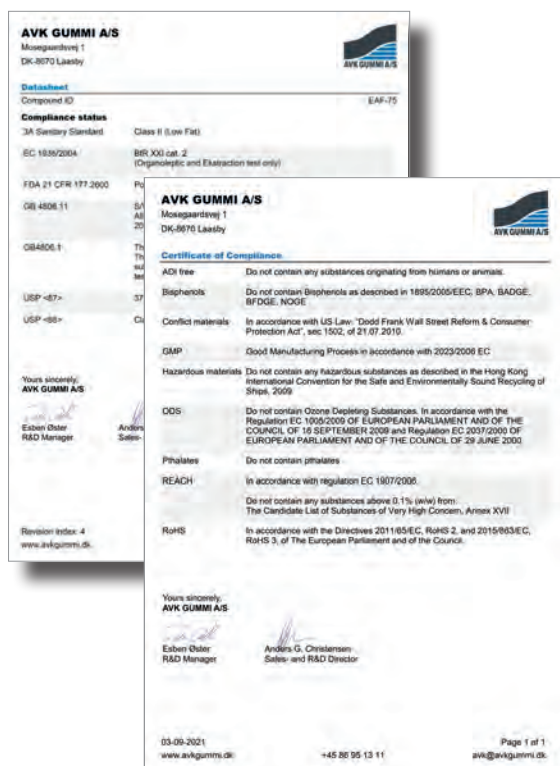
all compounds are in accordance with EN 1935/2004, REACH, RoHS and ADIF. This is documented through certificates of conformity.

On a regular basis, AVK GUMMI is audited by the Danish Food Administration in accordance with EN 1935/2004, by 3-A Sanitary Standards and of course by an accredited auditor in accordance with ISO 9001, IATF 16949, ISO 14001 and ISO 45001.

AVK GUMMI offers maximum security when it comes to rubber - one of the most important processing materials when focusing on functionality, food safety and legislation. Obviously, this is important when designing e.g. new valves and pumps, but also when upgrading existing equipment to new areas of application.

We have deep experience in sealings and diaphragms - e.g. for valves, pumps and filling and packaging machines used by dairies, breweries and softdrink producers. This is our foundation for giving competent support when optimising your process equipment.

You can gain the benefit of this know-how by contacting AVK GUMMI to work with you on your next development or optimisation project.



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Healthcare



H I G H P E R F O R M A N C E R U B B E R C O M P O N E N T S

-for demanding applications

Healthcare

Pharmaceutical processing industry and medical devices

When developing rubber materials for healthcare applications, needless to say, it is necessary to consider a number of critical aspects: Approvals, chemical resistance, traceability, etc.

Through many years of experience, AVK GUMMI has developed unique competences in relation to offering material security and producing rubber compounds of an extremely high and uniform quality. Materials with the right functional properties, detailed documentation reports and full traceability are part of the key competences that we offer our co-operative partners.

All products manufactured by AVK GUMMI are based on Good Manufacturing Practice (GMP). Validated processes, change control, handling and storage of data and all other central elements of ISO 13485 are an integrated part of our quality management system for the manufacturing of healthcare products.

The development of rubber compounds involves a number of aspects such as the following:

- Minimisation of extractable and migrating substances
- Avoidance of chemicals that may either interfere with the function of the active substance or cause irritation of the skin
- Documentation by In Vitro and In Vivo tests
- Co-operation with leading toxicologists concerning risk assessment



We have a number of rubber compounds, e.g. silicone, fluorosilicone, polyisoprene, butyl, EPDM, fluoroelastomer and HNBR that all comply with USP Class VI and ISO 10993-5. Furthermore, we develop materials that fulfil the unique requirements of our customers. We look at each individual application and work out requirement specifications based on the following five important parameters:



With customised test reports AVK GUMMI provides documentation that the material is suited for the specific application.

Finally, we offer technical support and evaluation in connection with function tests and troubleshooting.



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Technical products



HIGH PERFORMANCE RUBBER COMPONENTS

-for demanding applications

Technical products - demanding industrial applications



When you decide to work together with AVK GUMMI on the development of technical rubber solutions, you will find that we are more than just an ordinary supplier. AVK GUMMI is your co-operative partner and that implies a constructive dialogue based on long experience and a good technical understanding.

Through knowledge sharing the aim is to develop complete solutions that optimise both your product and the rubber component. This goes for all areas involving design, function and choice of material.

AVK GUMMI is your competent team player with particular focus on:

- Complete solutions
- Reducing your production and installation costs
- Optimising the design and function of your product

This close collaboration with our customers has led to solutions in which several separate components have been combined into one complete component. In the same way we aim to offer you a complete solution, providing you with significant time and cost savings in connection with handling and installation.

Our know-how - your advantage

Our everyday work of driving projects in sealing solutions for components such as valves, pumps and various fittings in our core areas - the food and healthcare industry, drinking water supplies, the energy sector and

similar demanding technical applications have provided us with valuable experience. You can benefit from this know-how by deciding to work with AVK GUMMI on your next development project. We would also be happy to review your existing rubber components to look for opportunities to improve the performance of your product and reduce costs.

Multifunctional components

Thanks to the unique properties of rubber it is possible to develop products that combine several different functions. For example, we manufacture a fuel intake pipe for a chainsaw in one of our heat and fuel resistant fluoroelastomer compounds which also provides the required vibration dampening.

AVK GUMMI supplies rubber components for numerous technical applications, e.g.:

- Household and electrical machinery
- Forest and garden equipment
- Pressure regulators
- High precision dosage pumps
- High voltage insulators and adaptors
- Ergonomic mats (Food, ESD, fire suppression)



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Materials and approvals



HIGH PERFORMANCE RUBBER COMPONENTS

-for demanding applications

Materials and approvals



Our materials meet the strongest demands

No single type of rubber is universally suitable for all areas of use. On the basis of numerous tests and many years of experience we know which type of rubber is the most suitable for your application.

The primary types of rubber in our range are:

- EPDM • Fluoroelastomer (FKM)
- NBR • Perfluoroelastomer (FFKM)
- HNBR • Silicone (Q + LSR)

International standards

Our customers market their products all over the world. This creates a need for sealing materials that meet the legislation and standards of the individual countries on products that come into contact with drinking water, food, healthcare products or gas. Our compounds are therefore sent to independent test institutes for testing and checking on an ongoing basis. The list below shows a selection of the many standards fulfilled by rubber compounds from AVK GUMMI.

Food

- FDA 21 CFR 177.2600 US
- 3-A Sanitary Standards US
- EC1935:2004 EU
- GB 4806.11:2016 CN
- BfR XXI/XV DE
- Arrêté 09.11.1994 FR
- BNIC FR
- JFRL JP

Healthcare

- USP Class VI – Monograph 87 US
- USP Class VI – Monograph 88 US
- ISO 10993-5 Global

Gas

- EN 682 GBL EU
- GB/T 23658 CN

Fire suppression

- DIN 4102-14 DE
- EN 13501-1 EN

Drinking water

- EN 681-1 EU
- WRAS BS 6920 GB
- E.G./W 270 DE
- ACS XP P 41-250 FR
- AS/NZS 4020 AU/NZ
- GB 5750 CN
- SS 375 SG
- NSF 61 US
- JIS k6353 JP
- CSN 757111 CZ
- AWWA C509-94 US
- Ö-Norm B5014 AT
- Hydrocheck BE
- KIWA SC 11911 NL

AVK GUMMI is approved by 3-A Sanitary Standards, Inc. as manufacturer of rubber compounds for food and dairy applications. The Third Party Verification includes specific compounds within the range of EPDM, FPM, NBR, HNBR and Q. For further information see: www.3-a.org.



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