



PURCHASE ORDER TERMS AND CONDITIONS

Acceptance of Agreement

These Terms and Conditions, the purchase order(s), and any attached exhibits and/or schedules constitute the entire agreement (the "Agreement") between the parties and supersede all prior negotiations and communications. Seller's acknowledgment of or delivery under Buyer's purchase order for goods, materials, tooling, supplies, services and/or work, as described on the purchase order (collectively referred to herein as "Goods"), will be deemed Seller's acceptance of this Agreement, and this Agreement expressly limits Seller's acceptance to the terms hereof. Buyer and its "Affiliates", defined as those entities that control, are controlled by, or are under common control with Buyer, may purchase Goods under this Agreement. The terms on a purchase order will control over any conflicting terms in these Terms and Conditions.

Delivery

Deliveries must be made in the quantities and at the time specified on the purchase order. Buyer has no liability for payment for Goods delivered to Buyer that are in excess of the specified quantities and outside the required delivery dates. All settlements will be based on Buyer's weights or counts. Time is of the essence for Seller's performance of all of its obligations under this Agreement. If at any time Seller has reason to believe that deliveries will not be made as scheduled, Seller will immediately notify Buyer of the cause and duration of the anticipated delay.

Shipping Instructions and Risk of Loss

Unless the purchase order states otherwise, all Goods will be shipped freight prepaid, and all risk of loss, injury or damage to the Goods are defined by the provisions of DDP (Incoterms 2000) Buyer's selected destination. Seller must pack, mark and ship all Goods in strict accordance with Buyer requirements to insure lowest transportation cost. No charges may be made for packing, boxing, storage or returnable cartons. Seller must mark each package with Buyer's order number, part number and address. Each case must be marked by Seller with a separate case number, name of shipper, contents of case, designated weights and volumes and Buyer's specification number, or in accordance to the packaging specifications set by the Buyer. Where multiple packages comprise a single shipment, Seller must consecutively number each package.

All wood packaging used by supplier must comply with the International Phytosanitary Standard, Invasive Species Pest Management, (ISPM-15) for regulated wood packaging material (WPM) entering countries which have adopted this standard. Seller must comply with all operational guidelines and procedures of the customs agency or department of the importing country. All regulated WPM must be treated and marked according to the ISPM-15 standard and applicable importing country regulations. Seller must provide any required statements or certifications of "non-coniferous" or "non-wood" packaging to the receiving port authorities.

All packing slips, invoices and/or bills of lading must display the purchase order number and shipper's package numbers. All original bills of lading or express receipts must be immediately sent to Buyer upon shipment. Buyer reserves the right to reject any C.O.D. shipments, Goods sent on a sight draft basis and those not accompanied by appropriate documentation.

Payment

Invoices and Taxes: Unless the purchase order states otherwise, (a) Buyer agrees to pay for the Goods within 60 days of the end of the calendar month in which a correct and valid invoice for the Goods is received by Buyer, and (b) Buyer will apply a 1.5% discount to all invoices that are paid within 30 days of the end of the calendar month in which a correct and

valid invoice for the Goods is received by Buyer. Invoices may not be dated prior to the shipping date unless otherwise stated on the purchase order. All invoices must contain the purchase order number. Each party agrees to collect, remit and pay all taxes that arise out of the sale of the Goods as required by applicable law, or in the case of import/export taxes, in accordance with the INCOTERMS specified on the purchase order. Without prejudice to any other right or remedy, Buyer reserves the right to set-off or deduct any amount owing at any time from Seller against any amount payable by Buyer to Seller under this Agreement.

Warranties

Seller warrants that the Goods: conform to applicable standards, specifications and drawings; are merchantable; are fit for the particular purpose for which such Goods are to be employed; are free from defects in materials and workmanship; and conform to any other express warranties Seller may have made to Buyer. If Seller is responsible for the design of the Goods, Seller warrants that they will be suitable for use by Buyer, including installation by Buyer in its ultimate products. Buyer's written approval of designs furnished by Seller will not relieve Seller of its obligations under this warranty and Seller waives all defenses of lack of reliance. Seller is liable for all damages both to Buyer and any third party as a result of any breach of warranty of any Goods. The foregoing warranties are in addition to any other warranties customarily made by Seller and any implied warranties available by law.

Quality Control

Seller must meet the requirements of TS16949, ISO9001, Buyer's Supplier Requirements Manual (Supplier Quality Process) or Buyer's quality and other specifications stated on the purchase order for Goods used in production or resale.

Seller agrees to provide and maintain inspection and quality control systems covering the Goods acceptable to Buyer. Buyer and Seller agree to maintain records of all inspection work and make them available to the other party upon request. Goods which do not conform to the purchase order and Goods which do not meet warranty requirements ("Nonconforming or Defective Goods") will be returned for credit to Seller at the Seller's expense and risk, unless otherwise agreed. Payment for Goods on any purchase order will not constitute Buyer's acceptance thereof, nor will acceptance be deemed a waiver of Seller's liability for latent defects or nonconformance. In addition, if a special production run is made for Buyer then the first Goods produced maybe subject to first article acceptance by Buyer prior to further fabrication. Acceptance by Buyer of the first article will not be considered acceptance of all subsequent Goods.

Intellectual Property

If Seller performs or has performed research, design or development work or activity for which Buyer compensates Seller, either in a separate charge or included in the cost of prototype or production materials, then any and all inventions and discoveries and information and data generated by Seller related to the sale of the Goods ("Intellectual Property") are the sole and exclusive property of Buyer. Seller agrees to disclose all Intellectual Property promptly to Buyer and to give all assistance necessary to secure full title in the Intellectual Property in Buyer including letters patents.

Confidential Information

Seller understands that Buyer considers all information delivered to Seller by Buyer, in any form, to be confidential and proprietary ("Confidential Information"). All Confidential Information, which includes Intellectual Property, remains the property of Buyer, and must be returned to Buyer

promptly upon Buyer's request. Seller agrees to maintain the confidentiality of such information for a period of ten (10) years after the last delivery of Goods to Buyer unless such information: (a) is or becomes public knowledge other than through the unauthorized disclosure by Seller;

(b) is received legally without restriction on disclosure from a third party who has the right to make such disclosure; or (c) is required to be disclosed to comply with a judicial order or decree. Confidential Information may only be used by those employees and contractors of Seller who have executed nondisclosure agreements with Seller protecting Buyer's Confidential Information and who have a need to receive it in order to fulfill Seller's obligations under this Agreement.

Cancellation

Buyer reserves the right to cancel all or any part of a purchase order without payment or further liability if: Seller breaches any of the terms of this Agreement; Seller does not make deliveries as specified in the schedules; or, in Buyer's reasonable discretion it determines that delivery in accordance with the delivery schedules is endangered.

Buyer reserves the right to cancel all or any part of a purchase order for its convenience upon written notice to Seller. When the cancellation is for convenience, Seller may submit a claim to Buyer for reimbursement of costs. Any claim must be submitted within 30 days of the effective date of the cancellation and include sufficient supporting data to permit Buyer to verify the claim. Buyer will pay verified claims for: (a) previously delivered unpaid Goods conforming to the purchase order; (b) any outstanding balance on Buyer's Property (c) undelivered finished Goods conforming to the purchase order and produced in accordance with Buyer's delivery or release schedules; (d) actual costs incurred for work-in-process and raw materials ordered in accordance with Buyer's delivery or release schedules and which Seller cannot use to produce goods for itself or other customers; and (e) other related costs which Buyer may elect to pay in its sole discretion. Payment under this paragraph is conditional upon Buyer's receipt of all claimed finished and unfinished Goods, Buyer's Property, work-in-process and raw materials.

Any cancellation of this Agreement does not excuse Seller from its performance of any obligations accrued prior to such cancellation.

Buyer's Property

Any property, including but not limited to equipment, tools, fixtures, dies, jigs, patterns, gauges or materials, furnished either directly or indirectly by Buyer to Seller in connection with this Agreement, or which Buyer buys from, or gives reimbursement to, Seller in whole or in part (collectively, "Buyer's Property") will be and remains the sole property of Buyer and will be held by Seller on a bailment basis. Seller agrees that Buyer has the right, at any time to retake possession of or request the return of Buyer's Property. While in Seller's custody or control, Seller bears the risk of loss, theft and damage to Buyer's Property. Seller agrees to keep Buyer's Property free from all liens and encumbrances and insure the Buyer's Property against loss or destruction. Seller must permanently mark all Buyer's Property as "Property of Buyer". At all times, Seller will: (a) use Buyer's Property only for the performance of this Agreement, (b) not deem Buyer's Property to be personal (c) not move Buyer's Property from the address designated on the purchase order without prior written approval from Buyer, and (d) Seller will not sell, transfer or otherwise dispose of Buyer's Property without prior written consent by Buyer. Buyer has the right to enter Seller's premises at all reasonable times to inspect Buyer's Property and Seller's related records. If Buyer purchases the Buyer's Property from Seller, it must be built robustly and durably for its intended use.

Production Equipment

Unless otherwise stated on the purchase order, Seller at its own expense must furnish, keep in good condition and replace when necessary, all equipment, dies, tools, gauges, jigs, fixtures, patterns, or other items necessary for the production of the Goods (the "Production Equipment"). Buyer reserves the right to take possession of and title to any Production Equipment that is special for the production of the Goods, unless the Goods are standard products of Seller, or if substantial quantities of like Goods are being sold by Seller to others.

Change in Specifications

Buyer reserves the right to make changes in design and specifications for any Goods. The difference in price or time for performance resulting from such changes will be equitably adjusted and the purchase order will be amended accordingly. If necessary, Buyer agrees to pay for the reasonable and actual costs of changes to the Production Equipment to effect design or specification changes ordered by Buyer.

Indemnity

Seller agrees to defend, indemnify and hold Buyer, its Affiliates, directors, employees, and customers (collectively "Indemnified Parties") harmless from any and all demands, claims, damages, including bodily injury and/or death, actions, judgments, fines, penalties, losses, expenses (including reasonable attorney fees and court costs), and import and export customs fees for which the Indemnified Parties might become liable as a result of (a) any negligent or willful act or omission of Seller, its employees, agents or subcontractors, (b) Seller's performance or nonperformance under this Agreement; (c) failure of the Goods to meet any warranties; (d) Seller's failure to affix required safety warnings to the Goods or to provide adequate use instructions; (e) the Indemnified Parties' use of the Goods; and (f) actual or alleged infringement of, or inducement to infringe, any domestic or foreign patent, trademark, copyright or mask work by reason of the manufacture, use or sale of the Goods. This paragraph does not obligate Seller to indemnify the Indemnified Parties for injuries or damages caused solely by the negligence of the Indemnified Party.

Insurance

Seller represents that it has insurance policies in effect and agrees to furnish insurance carrier's certificates showing that Seller has worker compensation/employers liability, commercial liability/public liability and professional indemnity/product liability coverage in amounts and with insurance carriers acceptable to Buyer. If Seller is a U.S. entity, Buyer must be named as an additional insured on the commercial liability/public liability and product liability policies. Said certificates must state the amount of coverage, number of policy, date of expiration and a term giving Buyer ten (10) days prior written notice of cancellation. Seller's purchase of any insurance coverage or furnishing of the certificates does not in any manner limit Seller's liability hereunder or in any way modify Seller's obligations to Buyer. Subject to shipping terms stated on a purchase order, Seller is responsible for insurance on overseas shipments regardless of destination.

Remedies

Seller will pay or reimburse to Buyer all losses, expenses, out of pocket costs, penalties and administrative costs and any other charges which Buyer incurs arising from or in connection with: (a) any Nonconforming or Defective Goods, including repair and replacement, (b) any product which incorporates any Nonconforming or Defective Goods which Buyer sells to any customer, including repair and replacement of any incorporating product; (c) Seller's inability to meet delivery schedules or requirements; and (d) Seller's failure to comply with each and every term of the Agreement. The remedies provided in this Agreement are cumulative and additional to any remedies provided at law or in equity.

On-Site Services

Seller agrees that while working on Buyer's premises, its workers will adhere to all of Buyer's company policies, rules and safety regulations. Workers agree to sign whatever forms are required by Buyer for confidentiality, security and administrative reasons. Only if approved in writing in advance by Buyer in connection with any services, will Buyer reimburse Seller for actual and reasonable expenses incurred (without mark-up) by Seller including travel and living expenses which are directly associated with Seller's performance of the services.

Compliance with Laws

Seller warrants that in the conduct of its business it is in compliance and that all Goods are in compliance with all applicable federal, state, provincial, and local laws, rules, orders and regulations, of the countries (and their legal subdivisions) of manufacture, assembly and delivery ("Applicable Laws") including without limitation, import and export requirements. Upon request, Seller agrees to supply Buyer with proof of

such compliance in such form as may be required by any Applicable Law and as Buyer may deem necessary. If Goods are delivered to or produced in the United States of America Section 202 of Executive Order 11246, as amended, is incorporated by this reference. For Québec residents only: It is the express wish of the parties that this Agreement and all related documents be drawn up in English./C'est la volonté expresse des parties aux présentes que ce contrat et les documents y afférents soient rédigés en langue anglaise.

Supply Chain Security

If the Goods are delivered cross border, Seller agrees to be compliant and maintain compliance with the guidelines of the applicable supply chain security programs of the importing country, e.g. for U.S. shipments, U.S. Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT); for Canadian shipments, Partners in Protection (PIP).

Buyer's Liabilities

In no event will Buyer's liability for any breach, alleged breach or cancellation of this Agreement exceed the total price shown on the applicable purchase order, nor will Buyer be liable for any incidental or consequential damages resulting from any such breach, alleged breach or cancellation.

Advertising

Seller may not advertise or publish in any manner the existence or terms of this Agreement, relationship or materials associated with the Buyer without first obtaining the written consent of Buyer.

Force Majeure

Neither party may be held responsible for delays or failures in performance under this Agreement if its performance is delayed or prevented by revolutions or other civil disorders, wars, fires, floods or acts of God (excluding strikes or other labor action) which by the exercise of reasonable diligence that party is unable to prevent. If such delay lasts over thirty (30) days, either party has the option to terminate this Agreement. Such termination will be treated as a rescission.

Assignment

Seller may not assign this Agreement, in whole or in part, without Buyer's prior written consent. Buyer may at any time assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under this Agreement.

Independent Contractor Relationship

Seller is an "independent contractor" and this Agreement does not create between Buyer and Seller an employer/employee, joint venture, partnership, or similar relationship nor is Buyer authorized to exercise control or direction over the manner or method by which Seller performs any services or provides Goods.

Survival

In addition to any other term whose context may so require, the terms contained in sections 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 19, 20, 24, 25, 26, 27 and 28 will survive any termination of this Agreement.

Invalid Terms

If any one or more of the provisions contained in this Agreement, or the applicability of any such provision to a specific situation, are held invalid or unenforceable by a court of competent jurisdiction, the court will determine whether to: (a) modify such provision to the minimum extent necessary to make it or its application valid and enforceable, or (b) eliminate the affected provision while leaving the rest of the Agreement intact, as long as the Goods can be delivered at substantially the same specifications, schedule and price contained in the Agreement. If the Goods cannot be delivered at substantially the same specifications, schedule and price in the Agreement, then this Agreement will be terminated. Such termination will be treated as a rescission.

Interpretation of Agreement

Except as otherwise provided, this Agreement may only be modified or cancelled in a written document signed by authorized representatives of both parties. The terms of this Agreement control over any terms in any acknowledgment, invoice, proposal, quote, time card or other document

issued in the performance of this Agreement. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver.

Governing Law

The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. This Agreement will be construed under the laws of the country, state, province or local jurisdiction of the Buyer's headquarters location in that country. Each party waives its rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement or its subject matter.

Audit Rights

At its discretion and expense, Buyer or its designated representative may audit, inspect and test: the Goods; relevant records; Seller's inventory, delivery, quality and production processes, including at the Seller's premises; Seller's ability to fulfill its obligations under this Agreement; Seller's compliance with Applicable Laws; and its actual performance under this Agreement.



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