

PURCHASE ORDER GENERAL TERMS AND CONDITIONS (indirect materials)**1 Scope.**

These general terms and conditions ("General Terms and Conditions") apply to the purchase of the goods and/or services (collectively, the "Products") identified in the purchase order issued by Buyer to Seller ("Buyer" and "Seller" are identified on the face of the purchase order) which references these General Terms and Conditions. The order ("Order") consists of the following (collectively the "Terms of the Order"): (i) the purchase order; (ii) Material Releases (as defined below) issued by Buyer to Seller; (iii) these General Terms and Conditions; (iv) all other documents incorporated into or otherwise made a part of the Order by Buyer; and (v) Buyer's Policies, as revised by Buyer from time to time. "Buyer's Policies" shall mean [Include as appropriate—Supplier Code of Conduct, Quality Policy, Shipping Policy, Packaging Policy, Environmental Policies, Etc...]. Buyer's Policies may be found at http://_____.com or by contacting Buyer's assigned purchasing representative.

2 Order Formation.

The Order is an offer by Buyer to purchase the Products from Seller pursuant to the Terms of the Order. The contract is formed upon the earlier of: (a) Seller notifying Buyer of its acceptance of the Order; (b) Seller retaining the purchase order for five (5) days without making written objections; or (c) Seller beginning work or performance relating to the Order. The Order is limited to and conditional upon Seller's acceptance of all Terms of the Order exclusively; any additional or different terms proposed by Seller (whether before or after the issuance of Buyer's Order), are unacceptable to Buyer, are expressly rejected by Buyer, and are not part of the Order. The Order is the entire agreement between the parties respecting the Products and when accepted, supersedes any prior agreements, negotiations or understandings of the parties respecting the Products, whether written or oral. No modification of the Order shall be effective unless in writing and signed by Buyer's authorized representative. Buyer is not required to purchase Products exclusively from Seller unless the Order expressly states that it is exclusive.

3 Order Quantities.

Unless specified differently in the Order, Seller shall deliver Products in strict conformance with the dates, times, quantities and delivery locations determined by Buyer and identified as firm orders in material authorization releases, manifests, broadcasts or similar releases (collectively, "Material Releases"). Times and quantities are of the essence. Seller shall not fabricate any of the Products or procure any of the materials required in their fabrication, and Buyer shall have no obligation as to the same, except to the extent expressly authorized in Material Releases. If the Order does not specify a quantity, states zero, "blanket," "per release" or a similar term, the Order is a blanket order. If the Order is a blanket order, then for consideration of Ten Dollars (\$10.00) to be paid by Buyer following expiration or termination of the Order, Seller grants to Buyer an irrevocable option during the term of the Order to purchase Products in such quantities specified in Material Releases that are transmitted to Seller during the term of the Order.

4 Packing and Documentation.

Seller will properly pack, mark, and ship the Products (and provide all requested documentation) according to the applicable Laws (as defined below), the requirements of Buyer, the involved carriers and the country of destination and will safeguard the Products against any loss or damages. No charges will be allowed for boxing, wrapping, cartage or storage unless so specified in the Order. Seller will promptly provide Buyer with, in the form requested by Buyer, the identity and amount of all ingredients and components (and any changes in the ingredients or components) of the Products. Seller will immediately notify Buyer in writing when it becomes aware of any ingredient, component, design or defect in the Products that is or may become harmful to persons or property.

5 Title and Delivery.

Title to and risk of loss of all Products subject to the Order shall remain with Seller until delivery and acceptance of the Products at Buyer's plant at the address set forth in the purchase order. Payment for Products shall not constitute acceptance of non-conforming Products, nor will it limit or affect any rights or remedies of Buyer. Unless otherwise agreed in writing, delivery terms will be DDP (Incoterms 2010) Buyer's facility. Seller shall immediately notify Buyer if Seller's timely performance under the Order is delayed or is likely to be delayed. If Seller, for any reason, does not comply with Buyer's delivery schedule, Buyer may (a) approve a revised delivery schedule; (b) require shipment of any of the Products by a more expeditious method of transportation; and/or (c) cover, and adjust any quantity requirement under the Order accordingly. Buyer reserves the right to reject and return all Products received in advance of any scheduled delivery date (if retained, time for payment shall be based upon the scheduled delivery date). Buyer's rights

under this section are at Seller's sole expense, at Buyer's sole discretion and in addition to and without prejudice to any other rights or remedies available to Buyer.

6 Price.

The purchase price of the Products is set forth on the face of the purchase order. Unless otherwise stated in the Order, the purchase price: (i) is a firm fixed price for the duration of the Order and not subject to increase for any reason; (ii) is inclusive of all taxes and any duties, customs, tariffs, imposts and government imposed surcharges and credits or benefits resulting from the Order, including trade credits, export credits or the refund of duties, taxes, or fees, belong to Buyer; and (iii) includes all storage, handling, packaging, shipping, delivery and all other expenses and charges of Seller. Seller shall, at Buyer's request, break-out from the purchase price all such taxes and other charges in its invoices. Notwithstanding the foregoing, Seller shall use its best efforts to assist Buyer in all legal efforts to minimize the taxes resulting from performance of the Order.

7 Invoices and Payment.

Unless otherwise agreed in writing, (i) invoices shall be issued on or after delivery of the Products to Buyer and payment shall be deemed to occur upon mailing of a check to Seller, (ii) all payments shall be made in U.S. dollars, and (iii) Buyer shall pay invoices for Products, which conform with the Order and are not subject to dispute, net sixty (60) days following the month in which the invoice is dated. Seller shall, at its expense, comply with all instructions and policies of Buyer with respect to the form, content and method for submission of invoices. In addition to any right of set-off provided by law, Buyer shall be entitled at any time, and without notice, to set-off against any amount required to be paid by Buyer to Seller any amounts which may be required to be paid at any time by Seller to Buyer irrespective of the order or agreements from which such debits or credits arise and regardless of any differences in payment or credit terms.

For purposes of this section, the references to "Buyer" shall include Buyer and any of Buyer's affiliated companies and the references to "Seller" shall include Seller and any of Seller's affiliated companies.

8 Warranty.

In addition to any other express and implied warranties provided by law or otherwise, Seller warrants for the benefit of Buyer and its customers, dealers and users of the Products, and all of their successors and assigns, that each Product shall: (i) be new and conform to the Order in all respects; (ii) strictly conform to all specifications, drawings, samples and other descriptions furnished by Buyer or otherwise part of the Order; (iii) be free from all defects in design (to the extent designed by Seller), workmanship, materials and fabrication, and be of highest quality and workmanship; (iv) be selected, designed (to the extent designed by Seller), manufactured and assembled by Seller based upon Buyer's stated use and be fit and sufficient for the purposes intended by Buyer; (v) conform to all applicable Laws (as defined below) in each country where the Products (or goods into which the Products are incorporated) are to be sold or used; (vi) be delivered to Buyer free and clear of any security interest or other lien or encumbrance of any person and that Buyer shall have good and marketable title thereto; and (vii) not infringe on any third party intellectual property rights.

9 Services.

For all Products that are services, Seller further warrants that its work will be performed in compliance with all applicable laws and a professional and workmanlike manner, consistent with all standards and specifications agreed on with Buyer and otherwise consistent with industry standards.

10 Indemnity.

Seller agrees to indemnify, defend and hold harmless Buyer and its affiliates, customers (both direct and indirect), and users of the Products sold by Buyer (or the goods in which they are incorporated), and all of their respective officers, directors, shareholders, members, managers, employees, agents, representatives, successors and assigns (each, an "Indemnified Party," and, collectively, the "Indemnified Parties"), from and against any and all losses, liabilities, damages (consequential and otherwise), injuries, fines, penalties, costs and expenses of whatever form or nature (including attorneys' fees and other costs of legal defense) (collectively, the "Losses") including, but not limited to, any Losses from any claim, action, demand and suit made or brought by any third party, whether direct or indirect, that an Indemnified Party might sustain or incur as a result of any acts or omissions of Seller or its affiliates, or their directors, officers, shareholders, members, managers, employees, agents or representatives, including, but not limited to, the following: (i) defect or non-conformity in the Products; (ii) breach of any representations, warranties, covenants or other obligations under the Order; (iii) negligence or fault in connection with the provision or manufacture of the Products. If

Seller is obligated to indemnify under this section, then Buyer may at its option participate in the defense of any third party claim with its own counsel, at Seller's expense.

11 Inspection and Audit.

Buyer may enter Seller's facility at any time to inspect and audit the facility, Products, materials, data, documents and any of Buyer's Property (as defined below) related to the Order. Buyer's inspection does not constitute acceptance of the Products or any work-in-process and does not relieve Seller of any of its warranties or responsibilities under the Order. Notwithstanding the foregoing, Buyer shall have no obligation to inspect or test the Products whether prior to or after delivery of the Products to Buyer.

12 Term and Effective Date.

The Order shall become effective on the date specified in the Order, or if no date is specified, when issued to Buyer ("Effective Date"). Unless terminated earlier in accordance with the Terms of the Order, the Order shall terminate on the date specified in the Order or, if no date is specified, one year from the Effective Date ("Initial Term"). However, the Order will automatically renew for successive one-year periods (each a "Renewal Term") after the Initial Term and any Renewal Term unless Seller provides written notice at least 180 days prior to the end of the then current term of its desire not to renew the Order.

13 Buyer Cancellation.

In addition to any other rights of Buyer to cancel or terminate the Order, and subject to the limitations of liability set forth in these General Terms and Conditions, Buyer may terminate the Order in whole or in part by written notice (each, a "Termination Notice"): (i) for convenience at any time by not less than three (3) days advance Termination Notice to Seller; (ii) for default, effective upon delivery of a Termination Notice or upon such other date specified in said Termination Notice. Seller shall be in default if (a) Seller breaches any warranty; (b) Seller repudiates, breaches or threatens to breach any of the Terms of the Order; (c) Seller fails to deliver, or threatens not to deliver, Products in connection with the Order; (d) Seller fails to make progress or to meet reasonable quality requirements so as to endanger timely and proper performance of the Order; (e) Seller becomes insolvent or makes an assignment for the benefit of creditors, or proceedings in bankruptcy or insolvency are instituted by or against Seller; (f) Seller sells all or substantially all of its assets to a third party; or merges or consolidates with, or sells all of its stock or membership interests to, another party, or undergoes some other form of reorganization; (g) Seller undergoes a change of control which, in Buyer's sole discretion, is detrimental to the interests of Buyer; (h) Seller needs accommodations from Buyer, financial or otherwise, in order to meet its obligations under the Order; (i) at any time, in Buyer's sole judgment, Seller's financial or other condition or progress on the Order shall be such as to endanger timely performance; or (j) Seller fails to perform or observe or perform its obligations under any other order or agreement with Buyer or any of Buyer's affiliates. Termination by Buyer shall not relieve Seller of any liability under the Order.

14 Seller Cancellation.

Seller may only terminate the Order for non-payment of the purchase price for Products which are thirty or more days past due and material in amount, and then only if: (i) Seller first provides Buyer with written notice specifying the amounts past due, and (ii) Buyer, within 60 days of such notice, does not do either of the following: (x) pay the past due amounts; or (y) notify Seller that the amounts claimed to be unpaid are disputed by Buyer. Seller shall terminate under this section by delivering a Termination Notice to Buyer. Seller may not terminate or cancel the Order for any reason except as permitted under this Section. Following delivery of a Notice of Termination, Seller shall, unless otherwise directed by Buyer, terminate promptly all work under the Order and at Buyer's discretion, transfer title and deliver to Buyer all raw materials, work in process and finished work completed prior to receipt of the Termination Notice. Buyer shall pay to Seller in connection with a termination only the following amounts, without duplication, in complete and final satisfaction of any liabilities relating to the Order the purchase price for all conforming Products received by Buyer prior to the Termination Notice or delivered following such notice by and at the direction of Buyer.

15 Confidentiality.

Seller agrees to abide by the terms of any existing agreement with Buyer governing the handling of proprietary or confidential information. If no such agreement exists, Seller agrees to treat as confidential all information, data and materials received by it from Buyer in connection with the Order and the performance of its obligations thereunder ("Confidential Information"). Seller shall exercise the same degree of care with regard to the protection of such Confidential Information as it uses in protecting and preserving its own confidential and proprietary information. Seller shall use Confidential Information strictly for the benefit of Buyer for purposes of implementing the Order and agrees

that it will not use such information for any other purpose and it will not directly or indirectly disclose such Confidential Information to any third party without receiving Buyer's prior written consent.

16 Insurance.

Without limiting any of the other obligations or liabilities of the Seller under the Order, Seller will at all times carry and continuously maintain at its own expense, or cause to be carried and continuously maintained, at least the minimum insurance coverage set forth below, in each case with insurance companies of recognized responsibility and with terms and conditions acceptable to Buyer. By way of description, such insurance shall include at the least the following coverage: At all times during the duration of the Order, occurrence-based comprehensive general liability, automobile liability and statutory worker's compensation and employer's liability: (i) Workers' compensation insurance with statutory limits in compliance with the law or laws of the state or states in which employees are hired or will work, and employers' liability insurance with limits of \$1,000,000; (ii) Commercial general liability insurance with limits of not less than \$3,000,000 general aggregate and \$3,000,000 per occurrence, and including but not limited to the following coverages: blanket contractual, products, operations, completed operations, independent contractors; (iii) Automobile liability insurance covering any auto, with limits of not less than \$1,000,000 combined single limit; and (iv) Umbrella excess liability coverage of not less than \$5,000,000 beyond each primary policy. Seller shall furnish Buyer, (a) prior to fulfilling any Orders, (b) upon periodic Buyer's request, and (c) on any coverage renewal date, certificates evidencing (aa) coverage of all insurance required, (bb) Buyer being listed as additional insured on all applicable policies, and (cc) a waiver of all rights of subrogation against Buyer. Seller shall provide not less than 30 days advance written notice to Buyer prior to any cancellation, reduction or restrictive modification of the coverage. Such insurance shall be primary without right of contribution of any other insurance or self-insurance carried by or on behalf of Buyer; and coverage will be maintained for at least three (3) years after any termination of the Order.

17 LIMITATION OF LIABILITY.

BUYER SHALL NOT BE LIABLE TO SELLER WITH RESPECT TO THE SUBJECT MATTER OF THE ORDER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY AMOUNTS IN EXCESS OF THE AMOUNT THAT BUYER PAID TO SELLER FOR THE PRODUCTS DELIVERED UNDER THE ORDER. DESPITE ANYTHING TO THE CONTRARY IN THE ORDER, IN NO EVENT SHALL BUYER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, MULTIPLE, OR EXEMPLARY DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF BUSINESS, OR ANY OTHER LOSS DIRECTLY OR INDIRECTLY ARISING OUT OF OR RESULTING FROM THE ORDER) OR FOR ANY INTEREST OR PENALTIES, IN CONNECTION WITH THE ORDER, WHETHER FOR BREACH OF CONTRACT, LATE PAYMENT, PROPERTY DAMAGE, PERSONAL INJURY, ILLNESS, DEATH OR OTHERWISE, WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

18 Assignment.

The Order shall be binding upon Seller and Buyer and their respective permitted successors and assigns. The Order is issued to Seller, in reliance upon Seller's personal performance of the duties imposed and by accepting same Seller agrees not to subcontract, assign, or otherwise delegate the performance of its duties hereunder (except for the procurement of raw materials) the Order without Buyer's prior written consent. Buyer's approval of any assignment or delegation by Seller shall not relieve Seller from any of its obligations under the Order. Any breach of this provision shall entitle Buyer to terminate the Order for default without any further liability.

19 Compliance with Law.

Seller and the Products shall comply with all applicable federal, state, provincial and local laws, rules, regulations, ordinances, conventions and standards that relate to the manufacture, sale, labeling, distribution, transportation, importation, exportation, licensing, approval or certification, delivery or use of the Products (collectively, the "Laws"). The laws of the State of Illinois, excluding its conflict of laws principles, shall govern the interpretation and construction of the Order and the rights and obligations of the parties hereunder. The United Nations Convention on Contracts for the International Sale of Products shall not apply to the Order.

20 Headers.

The headings contained in these General Terms and Conditions have been inserted for the convenience of reference only, and neither such headings nor the placement of any term under any particular heading shall in any way restrict or modify any of the terms or provisions of these General Terms and Conditions.