



PURCHASE ORDER TERMS AND CONDITIONS

1. AGREEMENT AND ACCEPTANCE. These terms and conditions, together with the purchase order, statement of work and any other documents specifically adopted by reference in any such documents, constitute the entire agreement between the parties (the "Agreement"). This Agreement constitutes the parties' entire contractual agreement and supersedes any previous oral or written representations, including but not limited to provisions in Seller's quotations, proposals, acknowledgments or other documents. No course of dealing or usage of trade shall be applicable unless expressly incorporated in this Agreement. The terms of this Agreement may not be varied or modified in any manner, unless in a subsequent writing signed by an authorized representative of Buyer. Any stenographic or clerical errors are subject to correction by Buyer. Seller's written acknowledgment, commencement of work on the goods, or shipment of such goods, whichever occurs first, shall be deemed an effective mode of acceptance of this Agreement. All work is to be done and/or materials provided subject to an approved purchase order that is in the possession of the supplier prior to commencement of any said work. Any acceptance by Seller is limited to acceptance of the express terms set forth in this Agreement. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of the terms of this offer is hereby objected to and rejected. Any such proposal shall not operate as a rejection of this offer unless the variances are in the terms of the description, quantity, price or delivery schedule of the goods, but shall be deemed a material alteration. Accordingly, this offer shall be deemed accepted by Seller without such additional or different terms. If this Agreement shall be deemed an acceptance of a prior offer by Seller, the acceptance is expressly made conditional on assent to the additional or different terms and such acceptance is limited to the express terms set forth in this Agreement. Additional or different terms or any attempt by Seller to vary in any degree any of the terms of this Agreement shall be deemed material and are objected to and rejected.

2. EXPRESS WARRANTIES. With respect to the goods or services purchased under this Agreement, and all other goods or services purchased from Seller, Seller expressly warrants for the Warranty Period as follows: (a) the goods shall strictly conform to all specifications, drawings, instructions, advertisements, statements on containers or labels, descriptions and samples; (b) the goods shall be free from defects in workmanship and material and shall be new and of the highest quality; (c) Buyer shall receive title to the goods that is free and clear of any liens, encumbrances and any actual or claimed patent, copyright or trademark infringement; (d) the goods shall be merchantable, safe and fit for the Buyer's intended purposes, which purposes have been communicated to Seller; (e) the goods shall be adequately contained, packaged, marked and labeled; and (f) the goods shall be manufactured in compliance with all applicable federal, state and local laws, regulations or orders, and agency or association standards or other standards applicable to the manufacture, labeling, transporting, licensing, approval or certification, including by way of illustration and not by way of limitation, the Occupational Health and Safety Act, the Fair Labor Standards Act, and any law or order pertaining to discrimination. These warranties shall be in addition to all other warranties, whether express, implied or statutory.



In the event that services are provided in connection with the supply of goods, Seller expressly warrants that the services will be performed: (a) with due professional care; (b) in a workmanlike, professional, timely and diligent manner; (c) in accordance with all applicable industry standards and industry best practices; (d) by qualified workers experienced in performing the work specified; (e) in strict conformance with applicable specifications and industry accepted performance criteria; and (f) in strict conformance with this Agreement, including but limited to any statement of work issued by Buyer.

These warranties shall survive inspection, test, delivery, acceptance, use and payment by Buyer and shall inure to the benefit of Buyer, its successors, assigns, customers and the users of Buyer's products. These warranties may not be limited or disclaimed by Seller. Buyer's approval of Seller's design, material, process, drawing, specifications or the like shall not be construed to relieve Seller of the warranties set forth herein, nor shall a waiver by Buyer of any drawing or specification request for one or more articles constitute a waiver of any such requirements for the remaining articles to be delivered hereunder unless so stated by Buyer in writing.

If Buyer experiences any defect, failure or non-conformity during the Warranty Period, Buyer shall have the right to take the following actions, at Buyer's option: (1) retain the defective goods in whole or in part with an appropriate adjustment in the price for the goods; (2) require Seller to cure defects in the goods within a reasonable period of time, determined by Buyer in its sole discretion given the urgency of the given situation; (3) require Seller to repair or replace the defective goods in whole or in part at Seller's sole expense, including all shipping, transportation and installation costs; (4) correct or replace the defective items with similar items from a third-party and recover the total cost from Seller, including the cost of product recalls; and (5) exercise all other rights under the Uniform Commercial Code and any other applicable statutes.

For purposes of this Agreement, "Warranty Period" shall mean 12 months from the date of first use of the goods by Buyer or 12 months from the date of acceptance by Buyer, whichever occurs later. Notwithstanding the foregoing, Seller agrees to waive the expiration of the Warranty Period in the event there are failures or defects discovered after the Warranty Period of a material nature or in a significant portion of the goods, or a defect is discovered which, in Buyer's opinion, constitutes a threat of damage to property or to the health and safety of any person.

3. PRICE TERMS. The goods will be furnished at the price set forth in the purchase order or such other document that Seller may use to set forth the price. Prices shall be inclusive of all delivery costs unless specified otherwise by the Buyer. Seller warrants that the price for the goods is no less favorable than those currently extended to any other customer for the same or similar goods in similar quantities. Seller will not be paid for any goods delivered or services performed that have not been authorized by an approved purchase order prior to commencement of work or production. Seller warrants that the prices in this Agreement shall be complete, and no additional charges of any type shall be added without



Buyer's express written consent, including but not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating. Standard terms are net 45 days unless otherwise specifically indicated in the purchase order.

4. DELIVERY, TRANSPORTATION AND PAYMENT. Time is of the essence. Delivery must be affected within the time specified in this Agreement. If delivery is not timely made, Buyer may, in addition to its other rights and remedies, direct Seller to make expedited routing at Seller's expense. The goods shall be properly packed, marked, loaded and shipped as required by this Agreement and by the transporting carrier. Unless Buyer instructs otherwise, the goods shall be shipped in a manner that will permit the lowest transportation rates to apply. Seller shall reimburse Buyer for all expenses incurred due to improper packing, marking, loading or routing. The risk of loss or damage in transit shall be upon Seller, except where shipment is by Buyer's vehicle, in which case the risk of loss or damage shall pass to Buyer upon completion of loading.

Seller shall not procure, produce or ship any goods unless authorized in writing by Buyer or as necessary to meet specific delivery dates. Shipments in excess of those authorized by Buyer or shipments received by Buyer in advance of the scheduled delivery date may be returned to Seller at Seller's expense, and such determination shall be at the sole discretion of Buyer. Buyer may change shipping schedules or direct temporary suspension of such scheduled shipments. Upon submission of proper invoices, Buyer shall process for payment. Seller shall present all invoices for goods and services on a timely basis. All invoices must be received by Buyer no later than ninety (90) days after the delivery of goods or completion of work. Time is of the essence in this regard. Any invoice received by Buyer later than said ninety (90) days shall be payable at Buyer's sole discretion. In addition to any right of setoff provided by law, all amounts due Seller shall be considered net of indebtedness of Seller to Buyer and its related companies. Buyer may deduct any amounts due or to become due from Seller to Buyer and its related companies from any sums due or to become due from Buyer to Seller, whether or not such amounts are attributable to this Agreement.

5. TERMINATION AND CHANGE.

A. Buyer may terminate this Agreement or any order under this Agreement for cause in the event of any default by Seller. The following are causes, among others, allowing Buyer to terminate this order: (i) late delivery, (ii) delivery of goods that are defective or that do not conform to this Agreement, or (iii) failure upon request to provide Buyer with reasonable assurances of future performance. Additionally, Buyer may forthwith cancel this Agreement in the event of any of the following: (i) insolvency of Seller; (ii) the filing of an involuntary or voluntary petition of bankruptcy against Seller; (iii) the execution by Seller of an assignment for the benefit of creditors; or (iv) the appointment of a receiver over Seller's assets.



B. Buyer reserves the right to terminate this Agreement or any order under this Agreement for its sole convenience, without reason or cause. In the event of such termination, Seller immediately shall stop all work, and shall forthwith cause all of its suppliers and subcontractors to cease work. Upon approval by Buyer, Seller shall be paid a reasonable termination charge consisting solely of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination. Within 30 days after receipt of a termination notice, Seller shall submit its claim. Buyer reserves the right to verify the claim by auditing all relevant records. Seller shall not be paid for any work performed after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided. In no event shall Buyer be liable for loss of profits or other cancellation charges.

C. Buyer shall have the right to make any changes, additions or alterations in the items, quantities, destination, specifications, drawings, designs or delivery schedules. The parties will undertake to negotiate an appropriate adjustment in price and terms where the Seller's direct costs are materially affected by such changes. Any request by Seller for an adjustment in price or terms must be made within 30 days of any such change. All changes and adjustments, if any, must be in writing and signed by a duly authorized representative of Buyer.

6. INSPECTION, ACCEPTANCE, REJECTION. Buyer may inspect the goods during any stage of their manufacture, construction, preparation, delivery or completion. Buyer shall have the right to enter onto Seller's premises at reasonable times to verify that the materials covered by this order conform to all specified requirements and Seller agrees to provide any and all supporting documentation required by Buyer or Buyer's customers in the course of such investigation. At Buyer's request, Seller shall submit production and quality test reports and related data. Notwithstanding payment or prior inspection, if any of the goods and/or services are found to be defective in material or workmanship or otherwise not in conformity with the requirements of this Agreement, in addition to any other remedies that it may have, Buyer may correct or have corrected the non-conformity at Seller's expense or reject and return the goods and discontinue the services at Seller's expense, at Buyer's sole discretion. Goods rejected promptly shall be removed by the Seller at its expense and at its risk. Final acceptance shall not be conclusive with respect to latent defects or misrepresentations. Nothing in this Agreement shall relieve Seller from the obligation of testing, inspection and quality control. Goods may be rejected for defects or defaults revealed by inspection, analysis or subsequent manufacturing operations even though such items previously may have been accepted, at Buyer's sole discretion.

8. INDEMNIFICATION AND INSURANCE.

A. To the fullest extent permitted by law, Seller agrees to indemnify, save harmless and defend Buyer and its affiliated companies, their directors, officers, employees, agents and customers ("Indemnitees") from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and



proceedings, including without limitation all judgments rendered against, and all fines and penalties imposed upon, Indemnitees and all attorney's fees and any other cost of litigation ("Liabilities") arising out of a breach hereof, warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property caused by Seller, its employees, agents, subcontractors, or in any way attributable to the performance of Seller, including without limitation, breach of contract, breach of warranty or product liability; provided, however, that Seller's obligation to indemnify Buyer shall not apply to any liabilities solely arising from Buyer's negligence. Seller agrees to indemnify, save harmless and defend Indemnitees from and against all Liabilities arising out of actual or alleged infringement, including infringement of any patent, trademark or copyright relative to the goods.

B. At Seller's own cost, Seller shall procure and maintain policies of insurance with reputable insurers with AM Best Company's or similar which have a financial rating of not less than "A:-VII" or "Excellent" or the equivalent from a reputable rating agency (such as Standard and Poor's). The policies of insurance shall be written on an occurrence basis or on a claims made basis in which event insurance shall be maintained during the term of this Agreement. The Seller shall maintain insurance coverage in amounts not less than the following: (a) Worker's Compensation – Statutory Limits for the state or states in which this Agreement is to be performed (or evidence of authority to self-insure); (b) Employer's Liability – \$1,000,000; (c) Comprehensive General Liability (including Products/Completed Operations and Blanket Contractual Liability) – \$1,000,000 per person, \$1,000,000 per occurrence (personal injury) and \$1,000,000 per occurrence (property damage), and (d) Automobile Liability (including owned, non-owned and hired vehicles) – \$1,000,000 per person, \$1,000,000 per occurrence (personal injury) and \$1,000,000 per occurrence (property damage). All insurance shall apply separately to each insured and additional insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability. The Seller's insurance coverage is primary and noncontributory to that of Buyer's. The Seller must cover Buyer, its parent, subsidiaries and affiliates and their respective officers, directors, and employees as additional insureds and listed on the executed Certificate of Insurance. All insurance coverages shall include a waiver of subrogation in favor of Buyer, its parents, subsidiaries and affiliates and their respective officers, directors and employees. Upon the execution and agreement of this document, Seller shall furnish certificates of insurance setting forth the amounts of coverage, policy numbers and dates of expiration for insurance maintained by Seller. Such certificates shall provide that Buyer will receive 30 days prior written notification from the insurer of any termination or reduction in the amount or scope of coverages. Renewal certificates, as required, shall be forwarded to Buyer until the Seller completes the work as specified in this Agreement. Seller's purchase of insurance coverage and the furnishing of certificates of insurance shall not release Seller of its obligations or liabilities under this Agreement. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any goods or services covered by this Agreement and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.

9. REMEDIES. Buyer's rights and remedies shall be cumulative and in addition to any other rights or remedies provided by law or equity. A waiver by Buyer of any right or remedy shall not affect any rights or remedies subsequently arising under the same or similar clause. Any attempt by Seller to limit



Buyer's warranties, remedies or the amount and types of damages that Buyer may seek shall be null and void.

10. TOOLS, BAILED PROPERTY. All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, ancillary products and other items furnished by Buyer ("Tools"), to Seller to perform this Agreement, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer. Seller shall bear the risk of loss of and damage to Buyer's property. Buyer's property (a) shall at all times be properly housed and maintained by Seller, (b) shall not be used by Seller for any purpose other than the performance of this Agreement, (c) shall be deemed to be personal property, not a fixture, (d) shall be conspicuously identified as property of Buyer, with specific reference to Buyer's indemnity and relevant part numbers, (e) shall not be commingled with the property of Seller or with that of a third party, and (f) shall not be moved from Seller's premises without Buyer's prior written approval. Upon the request of Buyer, such property immediately shall be released to Buyer or delivered to Buyer by Seller, either (a) F.O.B. transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (b) to any location designated by Buyer, in which event Buyer shall pay Seller the reasonable cost of delivering such property to such location. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect to the property. Unless otherwise agreed by Buyer, Seller at its own expense shall furnish, keep in good condition, and replace when necessary all Tools. Seller shall insure the Tools with full fire and extended coverage insurance for replacement value. Buyer does not guarantee the accuracy of any tooling or dies or the availability or suitability of any supplies or material furnished by it. Seller agrees carefully to check and approve all tooling, dies or materials supplied by Buyer prior to using it. Seller shall assume all risk of death or injury to persons or damage to property arising from use of tools, dies or materials supplied by Buyer.

11. INGREDIENTS DISCLOSURE. If any of the items ordered constitute or contain "hazardous or toxic chemicals" or "hazardous substances" or flammable or hazardous "petroleum products" as defined by any applicable Federal, State or local law, rule or regulation, Seller shall provide at the time of delivery all required notices and information, including without limitation, notices and information for OSHA, MSHA and Material Safety Data Sheets. Seller agrees to maintain such information current and shall provide Buyer with any amended, altered or revised information on a timely basis. Seller warrants that the goods supplied under this Agreement do not contain any substance whose use is prohibited under Federal, State, or local law, including, but not limited to the Clean Air Act, the Toxic Substance Control Act, or the Federal Insecticide Fungicide and Rodenticide Act, and that any applicable requirements under these laws have been satisfied by Seller.

If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods purchased; (b) the amount of one or more ingredients; and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipment of the goods purchased, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate placarding and labels on goods, containers, packing and vehicles used for



shipment) of any "hazardous substance" which is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise Buyer and third parties, including transportation carriers and Buyer's employees, as to the degree of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use, recycling or disposal of the goods.

13. INFORMATION AND DATA

A. Seller will furnish to Buyer, or another party designated by Buyer, without restrictions on use or disclosure, all information and data Seller acquires or develops in the course of Seller's activities under this Agreement. At Buyer's request, Seller also will discuss with Buyer or another party designated by Buyer, without restrictions on use or disclosure, any potential design, quality or manufacturing problems or any issues experienced by Buyer relative to the goods or Buyer's use of the goods, including, without limitation, issues involving design, quality, functionality, interface or integration functionality, application or manufacturing.

B. Unless otherwise indicated in writing by Buyer, Seller will use reasonable care to prevent disclosing to others and will use only for the benefit of Buyer, (i) the technical information and data furnished by Buyer or developed or acquired by Seller in its work under this Agreement, prior development agreement or early sourcing agreement for goods related to or using such technical information or data, and (ii) information relating to any portion of Buyer's business that Seller may acquire in the course of Seller's activities under this Agreement, prior development agreement or early sourcing agreement. This obligation shall continue so long as any agreement related to or using such technical information or data is in effect and for a period of two years thereafter. This obligation will not apply to information that is or becomes publicly known through no fault of Seller. Nevertheless, Seller may disclose the information and data of subsections (F)(i) and (F)(ii) hereof to third parties if this is required for Seller to fulfill its duties under this Agreement and such third parties have agreed to conditions at least as stringent as those contained herein.

C. All technical information and data disclosed heretofore and hereafter by Seller to Buyer in connection with this Agreement are disclosed on a nonconfidential basis.

14. MISCELLANEOUS.

A. ASSIGNMENT. This Agreement is entered into in reliance upon the Seller's personal performance of the duties imposed. The Seller agrees not to, in whole or in part, assign this Agreement or delegate the performance of its duties without the written consent of Buyer. Any such assignment or delegation



without the previous written consent of Buyer, at the option of Buyer, shall effect a cancellation of this Agreement. Any consent by Buyer to an assignment shall not be deemed to waive Buyer's right to recoupment from Seller and/or its assigns for any claim arising out of this transaction.

B. FORCE MAJEURE. Any delay or failure of either party to perform its obligations shall be excused if it is caused by an extraordinary event or occurrence beyond the control of the nonperforming party and without the nonperforming party's fault or negligence, such as acts of God, fires, floods, windstorms, explosions, riots, natural disasters, wars and sabotage. Written notice of such delay, including the anticipated duration of the delay, must be given by the nonperforming party within ten (10) days of the event. During the period of any delay or failure to perform by Seller, Buyer, at its option, may purchase goods from other sources and reduce its schedules to Seller by such quantities, without liability to Buyer, or cause Seller to provide the goods from other sources in quantities and at times requested by Buyer and at the price set forth in this Agreement. If requested by Buyer, Seller shall, within five (5) days of such request, provide adequate assurance that the delay will not exceed such period of time as Buyer deems appropriate. If the delay lasts more than the time period specified by Buyer, or Seller does not provide adequate assurance that the delay will cease within such time period, Buyer may, among its other remedies, immediately cancel this Agreement without liability.

C. CONFIDENTIALITY. All specifications, drawings, inventions, engineering notices, financial information, technical data, and/or equipment supplied by Buyer shall remain its property and shall be held in confidence by Seller. Such information shall not be reproduced, used or disclosed to others by Seller without Buyer's prior written consent, and shall be returned to Buyer upon demand or upon completion by Seller of its obligations under this Agreement. Any information that Seller discloses to Buyer with respect to the design, manufacture, sale, or use of the items covered by this Agreement shall be deemed to have been disclosed as part of the consideration for this Agreement, and Seller shall not assert any claim against Buyer by reason of Buyer's use of such information. Without obtaining the prior written consent of Buyer, Seller shall not advertise or publish the fact that Seller has contracted to furnish Buyer goods and services, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials. In the event of Seller's breach of this provision, Buyer shall have the right, among all other remedies, to cancel the undelivered portion of any goods or services covered by this Agreement and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.

D. GOVERNING LAW; DISPUTES. This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois. All disputes shall be adjudicated exclusively in Illinois State Court (DuPage County) or, if subject matter jurisdiction can be established, in the U.S. District Court for the Northern District of Illinois.



E. SET-OFF. In addition to any right of set-off provided by law, all amounts due Seller shall be considered net of indebtedness of Seller to Buyer and its affiliated or related companies. Buyer shall have the right to reduce and set-off against amounts payable hereunder any indebtedness or other claim which Buyer, or its affiliated or related companies, may have against Seller, or its affiliated or related companies, under this Agreement or any other agreement between the referenced parties.

F. WAIVER. The failure of Buyer to insist upon the performance of any term or condition of this Agreement, or to exercise any right hereunder, shall not be construed as a waiver of the future performance of any such term or condition or the future exercise of such right.

G. LIMITATION ON BUYER'S LIABILITIES. In no event shall Buyer be liable to Seller for anticipated profits or for incidental, special or consequential damages. Buyer's liability for a claim of any kind or for any loss or damage arising out of or in connection with or resulting from this Agreement, or from any performance or breach, shall in no case exceed the price allocable to the goods or services or unit which directly gives rise to the claim.

H. INVENTIONS. If this order involves developmental or research activities, including engineering or design services, all information developed in the course thereof shall be owned by Buyer and be deemed confidential and proprietary property of Buyer whether patented or not and Seller shall cooperate (and cause its employees to cooperate) in executing any documents and taking any other actions necessary or convenient to patent or otherwise perfect or protect for the benefit of Buyer any inventions conceived, developed or reduced to practice in performance of this Agreement. If the order does not involve developmental or research activities, but the goods covered by it are to be produced in accordance with drawings or specifications furnished by Buyer, Seller hereby grants to Buyer an irrevocable, non-exclusive and royalty-free license to make, have made, use and sell any improvement in the goods which is conceived, developed or reduced to practice by Seller in the production of the goods under this Agreement.

I. TAXES. Unless prohibited by law, the Seller shall pay all federal, state or local tax, transportation tax, or other tax which is required to be imposed upon the items ordered, or by reason of their sale or delivery. All order prices shall be deemed to have included such taxes.

J. RELATIONSHIP OF PARTIES. Seller and Buyer are independent contracting parties and nothing in this Agreement shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.



K. SEVERABILITY. If any term of this Agreement is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this Agreement shall remain in full force and effect.

L. HAZARDOUS MATERIALS. If goods or services provided by Seller under this Agreement involve handling, cleanup, treatment, storage and/or disposal of hazardous substances including, but not limited to, hazardous materials or hazardous waste, Seller shall only assign individuals to handle any such hazardous substances who meet the current training requirements for Hazardous Waste Operations and Emergency Response Standard (HAZWOPER), as required by the Occupational Safety and Health Administration.