

Terms and Conditions of Purchase

1. **ACCEPTANCE, ENTIRE AGREEMENT MODIFICATION.** Acceptance of a purchase order shall be unqualified, unconditional, subject to and expressly limited by the terms and conditions contained herein or incorporated herein by reference. Commencement of work on any or all items (which term includes without limitation raw materials, piece parts, subassemblies, secondary operations and services) or performance of shipment of all or any portion of a purchase order shall constitute acceptance by Seller of a purchase order upon the terms and conditions set forth herein. Buyer shall not be bound by additional provisions or provisions at variance herewith that may appear in Seller's quotation, acknowledgement, invoice or in any other communication from Seller to Buyer unless such provision is expressly agreed to in writing signed by the Buyer. Buyer's acceptance of or payment for items shall not constitute acceptance of any counter-proposal submitted by Seller not otherwise accepted in writing signed by the Buyer. A purchase order constitutes the entire agreement between Buyer and Seller and no order, notice change, modification, suspension, revision or termination of a purchase order shall be binding upon Buyer unless made in writing and signed by the Buyer.
2. **PRICES AND TAXES.** Each price for items sold to Buyer shall be the price specified on the face of the purchase order. Unless otherwise provided on the face of the purchase order, the prices herein include all packaging, crating and federal, state and local taxes.
3. **CHANGES.** Buyer may at any time, by a written order, without notice to the sureties if any, make changes in any one or more of the following: (i) drawings, designs or specifications, where the items to be furnished are to be specially manufactured for the Buyer in accordance therewith; (ii) method of shipment or packing; (iii) place or time of inspection, delivery or acceptance; and (iv) the amount of any Buyer furnished property, if any such change causes an increase or decrease in the cost of or time required for performance of the purchase order, an equitable adjustment shall be made in the price or delivery schedule or both. No claim by Seller for adjustment hereunder shall be allowed unless made in writing in an amount stated within thirty (30) days from the date notice of any such change is received by Seller. Where the cost of property rendered obsolete or excess as the result of a change is included in Seller's claim for adjustment, the Buyer will have the right to take title thereto and prescribe the manner of disposition thereof. Nothing in this clause shall excuse Seller from proceeding with performance of the purchase order as changed.
4. **STOP WORK ORDERS.** Buyer may at any time by written order stop all or any part of the work order under the purchase order for a period of ninety (90) days. At any time during such period Buyer may, with respect to all or any part of the work covered by the stop work order, either cancel the stop work order or terminate the work in accordance with subparagraph A or B of the "Termination" clause of the purchase order. To the extent the stop order is cancelled or expires, Seller shall resume work. If a stop work order has a material effect on cost or delivery, an adjustment shall be made in the price or the delivery schedule, or both, provided however, that no adjustment in price or delivery shall be made under this provision (i) if the work should have been otherwise interrupted or delayed or (ii) for which an adjustment is available or excluded under any other provision of the purchase order. No claim for adjustment shall be allowed unless submitted to Buyer in writing in an amount stated within thirty (30) days after the work is terminated or the stop work order expires or is cancelled, whichever occurs first.
5. **DELIVERIES AND SHIPMENTS.** Unless otherwise specified, all deliveries shall be made to Buyer at the address specified on the purchase order. The goods shall be delivered to Buyer on the specified date. Time is of the essence in making deliveries. Seller will at its expense ship by express or air shipment or by the most expeditious way if the delivery will not meet the committed time and place. Buyer may cancel this purchase order and terminate its obligation to purchase and pay for the goods specified herein provided, however, no such cancellation shall release Seller from liability for consequential or other damages suffered by the Buyer. If delivery is to be made in accordance with Buyer's written releases, Seller shall not procure, fabricate, assemble or ship any item except to the extent authorized by the Buyer in such written releases.

6. **CANCELLATION PRIOR TO ACCEPTANCE.** Buyer may at any time prior to acceptance as set forth in Paragraph 1 cancel this purchase order or modify the terms and conditions set forth herein.
7. **TERMINATION.**
 - a. Buyer may terminate a purchase order in whole or in part at any time by written or telegraphic notice stating the extent and effective date of such termination. Upon receipt thereof, Seller will to the extent directed by Buyer (i) stop work under the purchase order and place no further orders hereunder, (ii) terminate work under outstanding purchase orders which relate to work terminated by such notice and (iii) protect property in Seller's possession in which Buyer has or may acquire an interest. Seller will submit to Buyer its written claim, if any, as soon as possible, but in any event no later than thirty (30) days (unless Buyer agrees otherwise) from the effective date of termination. Seller hereby gives Buyer the right to audit and inspect its books, records and other documents relating to its termination claim if the parties cannot agree within a reasonable time upon the amount of fair compensation for such termination. Buyer's liability to Seller will be limited to making prompt payment of the following amounts only without duplication, (i) the contract price not previously paid for items delivered or performed and accepted by Buyer or completed in accordance with the provisions of the purchase order prior to the effective date of termination, and (ii) the actual costs incurred by Seller and properly allocable or apportion-able under recognized commercial accounting practices to the terminated portion of the purchase order. Seller may, with Buyer's written consent retain at an agreed price or sell at an approved price any completed items, work in process or other physical inventory the cost of which is allocable or apportion-able to the purchase order under the preceding sentence, and will credit or pay the amounts agreed to or received as Buyer directs, with appropriate adjustments for delivery cost savings. Seller will if directed by Buyer, transfer title to and make delivery of any such items, work in process or other physical inventory not retained or sold.
 - b. Buyer reserves the right to terminate a purchase order in whole or from time to time, in part for default occasioned by failure on the part of Seller to perform in accordance with the requirements of a purchase order or to endanger performance hereunder. Any such termination will be without liability to Buyer except for completed items delivered and accepted by Buyer for payment for which may be set off against any damages to Buyer. Buyer may require Seller to transfer title and deliver to Buyer any or all property produced or procured by Seller for performance of the work terminated and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost. Seller will be liable for damages caused by or resulting from its default including but not limited to excess costs of re-procurement. If after a default termination is determined that Seller was not in default the termination shall be considered to have been made pursuant to subparagraph A of this clause.
 - c. In the event that any claims or actions as set forth in Paragraph 20 are brought against Buyer alleging that the sale or use of any items that are the subject of a purchase order is in violation of a right or rights claimed under a patent, trademark or copyright, Buyer reserves the right to terminate a purchase order and any such items not delivered and to return any items previously accepted and receive a refund therefore. This remedy is in addition to any other rights, or remedies Buyer may have at law or equity or under the purchase order.
 - d. To the extent a purchase order is not terminated pursuant to subparagraphs A, B or C above, Seller shall continue performance.
8. **VARIATION IN QUANTITY.** No variation in the quantity of any item will be accepted unless such variation has been caused by conditions of loading, shipping, packing, or allowances in manufacturing processes, and then only to the extent specified on the face of the purchase order. Items shipped in excess of the quantity ordered or variation allowed may be returned at Seller's expense.

9. **RISK OF LOSS.** Seller shall bear the entire risk of loss of or damage to items occurring at any time before delivery of the items to Buyer at the place specified and acceptance of the items by Buyer. Seller shall bear the risk of loss and the cost of return transportation of all items returned under the provisions of this Agreement.
10. **INSPECTION AND QUALITY CONTROL.** Notwithstanding (i) payment (ii) passage of title, (iii) prior inspections or test, all items are subject to final inspection and acceptance or rejection at the destination stated on the purchase order. At all reasonable times during the period of Seller's performance hereunder, including the period of manufacture, Buyer and its customers may inspect and/or test the items to be furnished, hereunder at the plants where the work is being performed, including those of the Seller's suppliers and Seller shall provide, without additional charge, reasonable facilities and assistance for safe and convenient inspection and test. All such inspections and tests shall be conducted in such a manner as not to unduly delay the work. No inspection of any items by Buyer whether prior to or after delivery to Buyer shall preclude Buyer from rejecting or returning non-conforming items or items in breach of warranty. If required by Buyer, Seller shall provide and maintain quality control and inspection systems acceptable to the Buyer. Seller shall comply with such quality control standards as are generally used in manufacture of the items. Seller will, if requested by Buyer, furnish a certificate indicating such compliance.
11. **WARRANTY.** Seller warrants to Buyer, its successors and customers, that all items furnished (including all replacement items and all replacement or corrected components which Seller furnishes pursuant to this warranty) will be free from defects in material and workmanship, will conform to applicable drawings, specifications, samples and other descriptions furnished or specified by Buyer and to the extent such items are not of a detailed design furnished by Buyer, will be merchantable, suitable for the intended purposes and free from other defects, including defects in design. In the event Seller is required to replace or correct any component of any item pursuant to a breach of the foregoing warranty, the running of the warranty period for the item of which the defective component is a part shall be suspended from the date the component is replaced or corrected. Buyer's approval of Seller's samples or first articles shall not be construed as a waiver by the Buyer of any requirement of the drawings specifications and/or other referenced descriptions applicable herein or of any express or implied warranty.
12. **NONCONFORMING ITEMS/BREACH OF WARRANTY.** In the event of Seller's delivery of nonconforming items or Seller's Breach of warranty, Buyer may at its election and in addition to any other rights or remedies it may have at law or equity or under an order (a) recover from Seller any costs of removing such items from property, equipment or products in which such items are incorporated and any additional costs of re-inspection and retesting and either (b) elect any one or more of the following (i) return such items at Seller's risk and expense, (ii) require Seller, at its expense to promptly replace or correct such items (iii) pending redelivery, require payment of any amount paid for returned items or effect a setoff of such amount against any amounts owed to Seller, and (iv) upon Seller's refusal or failure to promptly correct or replace, effect cover by purchase or manufacture of similar items or repair such items at Seller's expense, or (c) accept or retain nonconforming items and equitably reduce their price.
13. **RIGHTS AND REMEDIES OF BUYER.** Seller shall be liable to Buyer for all damages including but not limited to consequential damages for a breach of any of the terms and conditions herein. All rights and remedies herein. Buyer shall have any other rights or remedies provided in law or equity.
14. **NOTICE OF LABOR DISPUTES.** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of an order, Seller shall immediately give notice thereof, including all relevant information with respect thereto to Buyer. Seller agrees to insert the substance of this clause, including this sentence in any purchase order or subcontract hereunder.

15. **INDEMNIFICATION AND INSURANCE.** Seller will indemnify, save harmless, protect and defend Buyer, its employees, agents, invitees and purchasers from, or customer of Buyer, from and against all liability, demands, claims, loss, fines, penalties, damage, costs, expenses, including without limitation reasonable attorney's fees, by reason or on account of property damage, death and personal injury of whatsoever nature or kind arising out of, as a result of or in connection with the performance of an order which is occasioned by the actions or omissions of Seller or its suppliers. Seller will maintain and carry employer's liability workmen's compensation insurance in statutory amounts and general liability insurance, including but not limited to public liability, property damage liability, product liability, completed operations liability, and contractual liability coverages, in amounts satisfactory to and with companies approved by Buyer. Seller will, if requested by Buyer, furnish certificates of insurance indicating the foregoing coverage.
16. **COMPLIANCE WITH LAWS.** Seller shall comply with all applicable federal, state and local laws, executive orders, rules and regulations applicable to its performance hereunder Seller agrees to indemnify Buyer and its customers for any loss or damage sustained because of Seller's noncompliance therewith.
17. **FAIR LABOR STANDARDS ACT.** Seller represents and warrants that all items shall be manufactured or furnished by Seller in accordance with all applicable standards, provisions and stipulations of the Act of June 30, 1938 (28 U.S.C. 201-219), as amended and in connection therewith.
18. **OSHA.** Seller agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 and the standards and regulations issued thereunder and warrant that all goods furnished under an order will conform to and comply with said standards and regulations.
19. **PATENT, TRADEMARK AND COPYRIGHT INDEMNITY.** Seller shall indemnify and hold harmless, protect and defend Buyer, its successors assigns, customers and users from any and all loss, damage, fines, penalties, costs and expenses, including without limitation, reasonable attorney's fees, resulting from or relating to claims or actions, regardless of their merit, or judgment, based in whole or in part, on a claim or allegation that the sale or use of any goods that are the subject matter of an order is in violation of a right or rights claimed under a patent, trademark or copyright.
20. **ASSIGNMENT.** Any assignment of an order or the work to be performed in whole or in part, or any other interest hereunder without Buyer's written consent, except as assignment confined solely to monies due or to become due hereunder to a bank, trust, company or other financing institution including any federal lending agency, shall be void. Any such assignment of monies shall be void to the extent that attempts to impose upon Buyer obligations to the assignee additional to the payment of such monies, or to preclude Buyer from dealing solely and directly with Seller in all matters pertaining hereto, including the negotiation of amendments or settlements of amounts due, or to preclude Buyer from any right to setoff or recoup otherwise available to Buyer, without regard to whether such right to setoff or recoup arises out of this or any other transaction. In the event of any such assignment Seller will file, in addition to a written notice of assignment, a true copy of the instrument of assignment with Buyer.
21. **WAIVER.** Failure or delay on the part of Buyer to exercise any right, remedy, or privilege under an order shall not operate as a general waiver thereof.
22. **CHOICE OF LAWS.** A purchase order and the purchase of goods contemplated hereby shall be construed in accordance with the laws of Illinois, for the purpose of any legal proceeding by either party hereto against the other in conjunction with this purchase order or the purchase of goods contemplated hereby. Buyer and Seller consent to jurisdiction over their person by any competent court with jurisdiction of the subject matter presiding in DuPage County, Illinois.

23. **SAMPLE APPROVAL.** Any samples submitted by Seller must be approved by Buyer in writing. Any product furnished by Seller prior to sample approval shall be the responsibility of the Seller. The Buyer will not be liable for any charges or product prior to sample approval.