



--TERMS AND CONDITIONS--

**1. ACCEPTANCE**

If Seller desires to accept this order on the terms and conditions stated on both sides hereof, Seller shall return to Buyer within a reasonable time after the date of this purchase order the acceptance form attached hereto executed by a duly authorized representative of Seller. In accepting this order and/or making any deliveries hereunder, Seller agrees to the terms and conditions on both sides hereof and acknowledges Seller has entered into a binding agreement with Buyer. This purchase order constitutes the entire agreement between the parties hereto and supersedes all previous agreements between them either oral or written, unless a blanket purchase order has been issued referencing this P.O., then the terms and conditions of the blanket purchase order take precedence. No additions, changes or deletions hereto shall be binding on Buyer unless in writing and executed by a duly authorized representative of Buyer.

**2. PRICE**

Unless otherwise stated on the reverse side hereof, all prices stated herein are F.O.B. MacLean-Fogg, Mundelein, Illinois or Richmond, Illinois as appropriate. Any cash discount shall be deducted at expiration of the grace period dating from the date of receipt on the invoice. Net invoices and cash discount invoices received without supporting papers shall not be paid until completed as specified. The date of receipt of final supporting papers completed in all cases, govern dates of payment and computation of the grace period for cash discounts. Buyer shall receive the benefit of the amount of any general reduction in the price of any goods of the same or similar size, quantity and/or quality covered by this purchase order, which may be made by Seller during the period of performance hereunder.

**3. WARRANTY**

Without limiting any warranties implied by law with respect to the goods, purchased and/or delivered hereunder, Seller warrants that all goods purchased and/or delivered hereunder shall (1) be new and unused, (2) be free and clear of all liens and encumbrances, (3) be of merchantable quality, (4) be free from defects in material and workmanship, (5) conform strictly to all specifications, drawings or descriptions furnished to Seller by Buyer, and (6) be fit for the purposes of Buyer. Seller further warrants it has good and marketable title to all goods and/or delivered hereunder and that no statute, order, regulation or ordinance of any governmental body or agency has been violated in the manufacture, sale, and/or delivery of any goods hereunder, without limitation on any of the foregoing, including but not limited to, the Fair Labor Standards Act of 1938, as amended, and the rules, regulations and orders issued thereunder, Seller agrees that Buyer's approval of any designs or drawings furnished by

Seller hereunder or in contemplation hereof shall not relieve Seller hereunder of its obligations under this warranty. Seller hereby agrees that in addition to any other remedies which Buyer may have against Seller for breach of warranty to repair or replace at the option of the Buyer and at cost to the Seller, any or all of the goods found in the sole judgment of the Buyer to be in breach of this warranty. Seller's warranties shall survive any inspection by delivery to acceptance by or payment by Buyer for any or all of the goods furnished hereunder, shall be in addition to any other warranties or service guarantees given by Seller to Buyer, shall be construed as conditions as well as warranties, shall not be determined exclusive, and shall be for the benefit of both the Buyer and its customers, jobbers and dealers. Seller specifically agrees that Buyer need not inform it of the breach of any warranties hereunder within any particular time and specifically waives any rights that may accrue to Seller on account of Buyer's failure to notify Seller of any breach of warranty within any period of time.

**4. DELIVERY**

Buyer's production schedules are predicted upon delivery of goods to Buyer at the delivery time specified herein, and time therefore is of the essence in performing under the purchase order. If deliveries are not made by the time specified herein, in addition to any other rights it may have at law, Buyer may refuse to accept such late deliveries and may purchase similar goods elsewhere, and may hold Seller for any loss occasioned thereby. If any deliveries are made more than fourteen calendar days in advance of the time specified herein, Buyer may refuse shipment if goods are delivered 14 days or more in advance of the time specified. Buyer may return such goods to Seller at Seller's cost, or may store such goods at Seller's cost until the specified time for delivery. Invoices and bills of lading exhibiting full routing information, including car number, shall be mailed to Buyer at the time of shipment. Invoices for prepaid freight shall be accompanied by receipted freight bills payable to the Buyer. If the goods are to be delivered periodically or in installments, failure to deliver any one installment within the time specified shall authorize Buyer to refuse to accept the overdue and/or subsequent installments or to pay for any such installments and Buyer shall have the right to purchase the overdue installment and any and all subsequent installments on the open market without notice to Seller and may hold Seller for any loss occasioned thereby.



**5. INSPECTION**

All goods covered by this purchase order shall be subject to final inspection and approval at destination by Buyer. Buyer may reject all or part of any goods not conforming to the terms of this purchase order, including without limitation, all specifications, drawings or descriptions furnished to Seller by Buyer. For all goods rejected by Buyer as not conforming to this purchase order. Buyer may, in addition to any other rights it may have at law (1) prepare for shipment and ship the rejected goods to Seller, at Seller's expense, or (2) require Seller to remove such goods, and, if Seller shall fail to remove such goods within seven days after written notice by Buyer to do so, Buyer shall dispose of such goods in any manner which Buyer may elect without any liability to Seller for the cost of such goods. For all goods which are retained by Buyer, but do not conform to the purchase order, including, without limitation, all specifications, drawings, or description furnished by Seller to Buyer, Buyer may correct such goods in order to make them conforming and Seller shall bear all necessary costs of such corrective action. In addition to any of the forgoing remedies, Seller shall bear the expense of unpacking, examining, sorting and reshipping any goods rejected hereunder.

**6. INDEMNIFICATION**

To the extent permitted by law, Seller shall indemnify, hold harmless and defend Buyer, its officers, agents, employees, customers, jobbers and dealers, from any loss, cost, damage, liability, judgment or expense, including attorney's fees, by reason of damage to property, including loss of use thereof, or personal injury, including death, arising out of, or in connection with, either in whole or in part. Seller's performance hereunder due to any reason whatsoever, whether or not any act or omission of the Buyer contributed thereto, including, without limitation, any action for negligence in the manufacture or formation of any goods sold and/or delivered hereunder, any action due to an alleged defect or actual defect in any of the goods sold and/or delivered hereunder, any claim that the goods sold or delivered hereunder were not of merchantable quality, or that any of the goods sold, and/or delivered hereunder were not fit for the purpose for which they were intended.

**7. PACKING AND CRATING:**

All goods shall be packed by Seller in suitable containers for protection in shipment and storage. Unless otherwise specified, prices set forth in this order include all charges for packing, crating and for transportation to the point of delivery set forth herein. The number of this purchase order shall appear on each invoice, bill of lading and packing list and every package and shipment. An itemized packing list shall accompany each shipment made hereunder. Under acceptance of this purchase order, Seller shall promptly notify buyer as to the date of each shipment hereunder.

**8. SPECIFIC PERFORMANCE:**

Seller agrees that in the event of a breach by it of any provision hereof, Buyer may, upon proper action instituted by it, be entitled to an injunction to prevent further breach hereto and to decree for specific performance according to the terms of this purchase order. Seller and buyer expressly agree that this purchase order is the proper subject for the remedy of specific performance in the event of breach hereof.

**9. INSURANCE:**

Seller agrees that it shall maintain at its expense liability and property damage insurance adequate to cover Seller's obligations as set forth herein and shall maintain proper workmen's compensation coverage on its employees engaged in the performance of such services as required hereunder. Seller agrees that all insurance policies shall include contractual coverage for this undertaking of Seller herein and be subject to the approval of the Buyer, including the policy forms and monetary limits, and that it shall furnish Buyer with certificates of such insurance coverage for it and the agreement of the appropriate insurance carrier to furnish Buyer with notice thirty (30) days beforehand of any material change or cancellation in any insurance coverage. Seller agrees that the failure of Buyer to request copies of insurance policies or certificates or to review and/or approve any insurance of Seller shall not relieve Seller of its obligations to furnish insurance as required by this purchase order. Without limiting any of the foregoing, all material, tooling, models, patterns, drawings, and other personal property belonging to Buyer furnished by Buyer to Seller, or otherwise in Seller's custody of possession, shall be at Seller's risk from loss or damage from any and all hazards, except that Buyer, for Buyer's sale benefit, may insure such materials, tools, models, patterns, drawings, and other personal property against loss or damage resulting from loss due to fire, lightning, cyclone, tornado, wind storm and hail, explosion, earthquake, aircraft or vehicle, smoke, sprinkler, leakage, flood, strike, riot and civil commotion, vandalism and malicious mischief. Seller further agrees that the purchasing of any insurance hereunder shall not otherwise relieve Seller from any of its liability to Buyer hereunder. The purchase or furnishing of any insurance by the Seller or Buyer on goods in transit shall not alter the provision hereof that legal title to the goods shall remain in Seller until delivered F.O.B. Maclean-Fogg, Mundelein, Illinois. On water borne shipments, Seller also shall insure against marine perils, on an all risk basis, including war risk, covered particular average irrespective of percentage for buyer's account and expense to cover invoice value plus freight and charges and 10% added thereto plus insurance premium.



**10. RISK OF LOSS**

All risk of damage to, or loss of the goods covered hereby from any cause whatsoever shall be and remain in Seller until the goods are delivered to Buyer at Buyer's delivery point specified herein.

**11. TOOLS AND MATERIALS:**

Title to, and the right to immediate possession of, all tools, designs, patterns, drawings, and other personal property (including goods) furnished by Buyer to Seller for use in performance hereunder, or paid for by Buyer, shall be and remain in Buyer at all times, and Buyer does not guaranty or warrant the accuracy of performance of any tooling furnished by it. Upon termination of this order, all designs, tools, patterns, drawings, specifications and other personal property made for the manufacture of goods hereunder or performance hereunder shall become the property of Buyer, unless otherwise agreed on the reverse hereof, and shall be returned to Buyer at Seller's cost, at Buyer's discretion, upon completion of performance by the Seller hereunder, Seller assumes responsibility for and liability for loss of and damage to any such property while in Seller's possession, and until returned to Buyer.

**12. CONFIDENTIALITY**

Seller shall treat as confidential all of Buyer's proprietary information, including, without limitation, knowhow and customer information, made available to Seller, directly or indirectly, and shall not disclose any such information to third parties unless specifically designated to do so by buyer in writing. Seller shall limit access to such proprietary information of Buyer to such of its employees as may reasonably be necessary to performance of Seller's obligations under this purchase order.

**13. TERMINATION**

Buyer may, without any liability to Seller, except to pay for goods completed or delivered prior to termination, terminate all or any part of this purchase order in the event of the occurrence of any of the following: (1) insolvency of Seller, the filing of a voluntary petition bankruptcy by Seller, the filing of an involuntary petition to have Seller declared bankrupt, the appointment of a receiver or trustee for Seller, or the execution by Seller of an assignment for the benefit of creditors; (2) if the Seller for any reason fails to make any deliveries as specified in this purchase order; or (3) if Seller breaches any provisions of this purchase order, including, without limitation, the warranty provisions or otherwise fails to comply with or perform any of the provisions of this purchase order. Upon termination, buyer shall retain each and every claim, demand and liability it may subsequently have or acquire against the Seller as a result of any breach of non-performance of the Seller of its obligations under this purchase order.

**14. ASSIGNMENT:**

Seller may not delegate or assign this purchase order, any of the performance hereunder, or any of the duties or claims hereunder without the prior written consent of the Buyer.

**15. WAIVER:**

The waiver by one party of any breach of this purchase order or the failure of one party to enforce at any time, or for any period of time, any of the provisions hereof, shall be limited to the particular instance, and shall not operate or be deemed to waive any future breaches of this purchase order or shall not be construed to be a waiver of any provision, except for the particular instance.

**16. SEVERABILITY:**

If any provision of this purchase order shall contravene or be invalid under the laws of any particular state, country or jurisdiction where used, such contravention shall not invalidate the entire purchase order, but it shall be construed as if not containing the particular provision or provisions held to be invalid in that particular state, country or jurisdiction and the rights or obligations of the parties hereto shall be construed and enforced accordingly.

**17. CHOICE OF LAW**

This purchase order shall be construed according to the laws of the State of Illinois and the rights herein given to Buyer are cumulative and are in addition to every remedy herein given for now or hereafter existing at law, in equity, or by statute.

**18. FORCE MAJEURE:**

Buyer shall not be liable for performance hereunder due to any contingency beyond Buyer's control, including, without limitation, acts of God, fires, strikes, lockouts, differences with or among workmen, accidents, wars, civil commotion, riot or insurrection, inability to secure transportation equipment, fuels, or other material, government interference or regulation, or delays in transportation. Should any of the foregoing conditions continue for a period of 30 days after the occurrence, Buyer may, at its option, cancel this purchase order, without incurring any liability therefor to the Seller or in any manner prejudicing the Buyer's rights hereunder.