

PURCHASE ORDER TERMS AND CONDITIONS

- I ACKNOWLEDGMENT** - Immediate acceptance of this order is required together with full delivery information.
- II BILLING, SHIPPING, ETC.**
- A. Observe carefully the shipping instructions and unless otherwise specifically stated, ship the cheapest way. No charges allowed for boxing, packaging or carriage without written authorization from the Purchaser. On date of shipment mail B/L and invoice for each shipment. For mailing address see front of Purchase Order.
- B. Cash discount will be calculated from the date material has passed Purchaser's incoming inspection. Payments will be made by voucher or check and no draft will be honored.
- C. FOB Point, cash discount terms and Purchase Order number must be shown on all invoices. Purchase Order numbers must also appear on all packages, B/L, statements, shipping notices and tags. Complete packaging list must be sent with each shipment. If this information is lacking discount period will begin upon receipt of the aforementioned information.
- D. Transportation must be prepaid on all shipments to which a delivered price applies.
- E. Charges for prepaid transportation must be substantiated by attaching to the invoice original transportation bills received by the carrier.
- F. C.O.D. shipments will not be accepted except by agreement signed by Purchaser.
- G. Seller shall bear all risk of loss until acceptance of the materials by Purchaser at Purchaser's plant.
- III EXECUTION OF ORDER**
- Seller shall execute this Purchase Order in accordance with the terms and conditions stated and make delivery of the materials covered within the time specified.
- IV CONTRACT**
- This Purchase Order shall become a binding contract on all the terms and conditions set forth herein upon acceptance or written confirmation by Seller or upon shipment against this order without formal acceptance or confirmation. It is a condition of this Purchase Order, and Seller agrees, that no provision printed or otherwise contained, in any acceptance or written confirmation hereof inconsistent with additional to or different from any of the terms or conditions hereof, nor any alteration of this Purchase Order, shall become a part of the contract or be binding upon Purchaser unless assented to by Purchaser in a writing signed by its authorized representative. This contract contains the entire agreement of the parties and failure by Purchaser to enforce any of its rights hereunder, shall not constitute a waiver. No course of prior dealings or trade usage shall be relevant in construing or interpreting any provision hereof. This contract shall be governed by the laws of the State of Illinois.
- V REMEDIES**
- The remedies herein reserved, shall be cumulative and additional to any other of further remedies provided in law or equity. No waiver of a breach of any provision of this contract shall constitute a waiver of any other breach of such provision
- VI PATENT INDEMNITY**
- Seller agrees to indemnify and save harmless Purchaser, its successors, assigns, customers and the users of the material covered by this Purchase Order, from any and all losses, damages, liabilities, claims, demands and suits at law or in equity for actual or alleged infringement of any United States or foreign patents, trademarks or copyrights arising from the purchase, use or sale of materials covered by this Purchase Order and Seller further agrees to pay all royalty and license fees required for the continued use and/or sale of said materials, except insofar as the order calls for materials to be supplied in accordance with Purchaser's drawings and specifications.
- VII RIGHTS OF AFFILIATED COMPANY**
- Any right, cause of action or remedy granted to the Purchaser herein shall extend without exception to any company affiliated with the Purchaser or upon whose order this order is issued by the Purchaser as the interest of such company may appear.
- VIII RESPONSIBILITY FOR ACCIDENTS**
- If this order involves work to be performed on behalf of or for the benefit of the Purchaser elsewhere than on premises under the control of the Seller or operations of any character by the Seller on the premises of the Purchaser, the Seller shall be responsible for and indemnify the Purchaser against all losses, claims, expense or damages which may result in any way from any accident, injury or damage either to person or property or from death of any persons by reason of any act or omission on the part of the Seller, its agents, employees or subcontractors, except to the extent that the accident, injury, damage or death is due solely and directly to the negligence or carelessness of the Purchaser. The Seller shall at all times maintain such liability, property damage and employee liability insurance as will protect the Purchaser from any and all the foregoing risks and from any and all claims under any applicable Workmen's Compensation or Occupational Diseases Acts and shall supply upon the request of the Purchaser certificates satisfactory to the Purchaser evidencing such coverage.
- IX QUANTITIES**
- Unless otherwise agreed to in writing by Purchaser, shipments must equal exact quantities ordered herein or equal to an amount within an established trade custom tolerance. Shipments in excess of quantities ordered may be returned for credit at Seller's expense. Purchaser count and weight will be accepted as final and conclusive on all shipments not accompanied by packing lists. Shipments below quantities ordered may at Purchaser's election, be deemed wholly defective.
- X INSPECTION**
- All material shall be in accordance with the latest revision of specifications appearing in this order and at Purchaser's option shall be subject to inspection at Purchaser's plant or at source by either Purchaser's inspector or its assigned representative who shall be entitled to access to the extent practicable at any and all times during manufacturing to the premises where such manufacturing is carried on Seller will provide Purchaser without additional charge with all reasonable facilities and assistance for any inspection or tests made on its premises. Inspection of the material by Purchaser shall not relieve the Seller from liability for defects. It is understood and agreed by the Purchaser and Seller that payment of invoices does not constitute acceptance of quantity and quality as billed or delivered and all such payments are subject to future adjustments. Defective material not conforming to the Purchaser's specifications will be held at Seller's expense pending disposal. Upon receipt of Seller's permission or the expiration of 14 days after advising the Seller of rejection, defective material may be returned and invoiced including transportation charges, to the Seller. No replacement of defective material shall be made unless authorized in writing by the Purchaser.
- XI DEFAULT**
- Upon the happening of any one or more of the following events, Purchaser will have the right to cancel and terminate this order:
- A. Seller's insolvency or commission of an act of bankruptcy
- B. Filing of a voluntary or involuntary petition of bankruptcy by or against the Seller
- C. The appointment of a receiver for the Seller by any court of competent jurisdiction or the making by the Seller of an assignment for the benefit of creditors
- D. If at any time in the opinion of the Purchaser the financial condition of the Seller shall be such as to endanger its ability to perform hereunder
- The acceptance of goods or performance after the occurrence of any of the above events shall not affect the right of the Purchaser to cancel.
- XII TIME OF ESSENCE**
- It is agreed that time is of the essence of this Purchase Order and if deliveries are not made at the time or times agreed upon the Purchaser may cancel this order and hold the Seller liable for damages incurred by such delay including but not limited to the additional cost incurred of purchasing elsewhere, provided that neither party shall be liable to the other for default or delay in delivering or accepting goods covered by this order if such default or delay shall have been caused directly or indirectly by accident, fire, flood, riot, war, act of God, embargo, strike, delay of carriers, governmental order or regulation, complete or partial shut-down of plant by any of the foregoing causes or by reason of inability to obtain sufficient raw material or power and/or any other like or dissimilar cause or causes beyond its reasonable control.
- XIII CANCELLATION**
- The Purchaser may cancel this order in whole or in part at any time for any cause and will reimburse Seller for its reasonable and necessary expenses incurred directly incident to this order to the date of cancellation but shall not be liable for any loss of profits on the order or portion thereof so cancelled. The foregoing shall be in addition to, and not in derogation of, any other right of cancellation either contained in any other provision of this contract or available to Purchaser, and, will respect thereto. Purchaser's rights and obligations shall be governed by such other provision and not by this Paragraph.
- XIV CHANGES**
- The Purchaser has the right by issuance of Change Notice to make changes to the material ordered, if such changes alter the value of the material, adjustment shall be made accordingly.
- XV COMPLIANCE WITH LAWS**
- Seller warrants and certifies that the goods covered by this order were produced or will be produced in compliance with all applicable State Federal and local laws, rules and regulations including without limitation all applicable requirements of the Fair Labor Standards Act of 1938 as amended.
- XVI NON ASSIGNABILITY**
- Seller will not assign this Purchase Order or any interest therein or subcontract any major part hereof, except for regularly purchased components, without prior written consent of the Purchaser.
- XVII TAXES**
- This Purchase Order shall not impose upon the Purchaser any liability for payment of reimbursement of any tax or taxes imposed by Federal, State, Municipal or other government authority including political subdivisions of the foregoing upon the transaction(s) herein unless the Seller expressly specifies in writing the nature and amount of the taxes to be added to the price and such additional amount is agreed to in writing by the Purchaser.
- XVIII PURCHASER'S EQUIPMENT**
- All dies, tools, patterns, fixtures, drawings, designs or other equipment furnished to the Seller by the Purchaser or specifically paid for by the Purchaser shall be the property of the Purchaser and subject to removal at the request of the Purchaser. The Seller shall not use such equipment for any other customer without first receiving the approval in writing of the Purchaser. Such equipment shall be clearly identified, safely stored and fully insured for the benefit of the Purchaser. When not used to fulfill orders of the Purchaser, the Seller shall maintain such equipment while in its custody, in good working order and when required by the Purchaser, shall return it to the Purchaser in the same condition as when delivered, normal wear and tear excepted.
- XIX WARRANTIES**
- The Seller will indemnify and save harmless the Purchaser against any and all losses, including but not limited to Purchaser's increased production costs and lost profits, damages, liabilities, claims and suits at law or in equity, which may be made or brought against or suffered by Purchaser by virtue of any defective material, workmanship or design in the articles or material supplied hereunder.
- XX PUBLICITY**
- The Seller shall not, without first receiving written permission from the Purchaser, in any manner advertise or publish the fact that Seller has contracted to furnish to the Purchaser the articles or materials specified herein. The Seller shall not disclose any of the details connected with this order to any third party except as specified herein.
- XXI GOVERNMENT CONTRACTS**
- When the articles or material furnished are to be used in the performance of a Government contract or subcontract thereunder, Purchaser will furnish any additional terms and conditions which may apply and will be subject to nondiscrimination provisions 1.7 of Section 202, Executive Order No. 11346, Executive Order No. 11375 and amendments thereto as to race, color, religion, sex or national origin.
- The recording of false, fictitious or fraudulent statements or entries on any documents may be punished as a felony under Federal Statutes including Federal Law Title 18 Chapter 47. (Attachment #1 To Form #3407)