Husco Purchase Contract Terms & Conditions

- Terms and Conditions. These Husco Purchase Contract Terms and Conditions (these "Terms"), together with the email, request for quotation, purchase contract, or similar item issued by Husco Automotive Holdings LLC or one of its direct or indirect subsidiaries (the applicable entity, "Buyer") and referencing these Terms (each and together with these Terms, a "Purchase Contract"), are intended by Buyer and the seller ("Seller") of the goods and services identified in a Purchase Contract (collectively, the "Products") to be the conclusive expression of their agreement as it relates to the matters contained in these Terms and/or the applicable Purchase Contract, and are intended also as a complete and exclusive statement of the terms and conditions thereof. The Purchase Contract shall not bind Buyer to purchase the Products from Seller; rather, a commitment from Buyer to purchase the Products shall only arise upon issuance of a written commitment to purchase Products from Seller (a "Released Schedule"). Buyer may also commit to purchase raw materials used in manufacturing the Products that it may require Seller to use in its production of the Products (such commitment, a "Planned Schedule"; Released Schedules and Planned Schedules shall be collectively referred to as "Schedules"). Buyer may further issue nonbinding forecasts of its purchase of Products and raw materials for Seller's convenience only (a "Forecast Schedule"). Upon acceptance of the Purchase Contract as described herein, Seller commits to supply the Products pursuant to these Terms at the prices set forth on the Purchase Contract in accordance with Released Schedules and Planned Schedules issued by Buyer from time to time, until the later of ten (10) years from the initial date of the Purchase Contract or the termination of the applicable Buyer program (the "Supply Availability Period").
- ANY PURCHASE CONTRACT SHALL BE CONSTRUED AS AN OFFER TO PURCHASE THE PRODUCTS, AND IT EXPRESSLY LIMITS ACCEPTANCE BY SELLER TO THE TERMS OF THIS OFFER AND CONSTITUTES NOTICE OF OBJECTION TO ANY ADDITIONAL OR DIFFERENT TERMS IN THE ACCEPTANCE. Buyer's electronic transmission of a Purchase Contract or Schedule shall have the same legal force and effect as Buyer's manual execution of a Purchase Contract or Schedule, and Seller's electronic acknowledgement of a Purchase Contract or Schedule, through e-mail response or other means manifesting acknowledgement of acceptance of the Purchase Contract or Schedule, shall have the same legal force and effect as Seller's manual execution of a Purchase Contract or Schedule. No course of dealing, usage of trade or course of performance or other action by Buyer shall be construed as acceptance of any additional or different terms than the terms provided herein. If there is a discrepancy or conflict between any exhibit or supplement to a Purchase Contract or Schedule and these Terms, these Terms shall control unless otherwise expressly agreed to in writing hand-executed by Buyer and specifically referencing these Terms. Buyer may revoke this offer at any time prior to acceptance by Seller.
- 3. <u>Acceptance</u>. Commencement of delivery or other indications of acceptance by Seller will result in a firm contract containing these Terms. Buyer's performance is conditional upon Seller's agreement to these Terms; if any of these terms and conditions are not acceptable to Seller, Seller must notify Buyer promptly. If Buyer does not receive Seller's written objection to these Terms within ten (10) days after Seller receives the applicable Purchase Contract from Buyer, or if Seller performs or delivers any Products, these Terms will be deemed irrevocably accepted by Seller. NOTWITHSTANDING THE CONTENTS OF ANY FORM FROM SELLER, THE ONLY EFFECT THEREOF WILL BE TO ACCEPT THE ORDER PURSUANT TO THESE TERMS.

ANY PROVISION OF ANY FORM OR OTHER WRITING INCONSISTENT WITH THESE TERMS WILL NOT CONSTITUTE A PART OF THE CONTRACT. NO ONLINE OR ELECTRONIC TERMS OR CONDITIONS OF SELLER, ITS REPRESENTATIVES OR AFFILIATES WILL BE BINDING UPON BUYER EVEN THOUGH SUCH TERMS WERE "ACCEPTED" IN ORDER TO ACCESS OR USE A SYSTEM, INCLUDING BUT NOT LIMITED TO AN ORDER ENTRY SYSTEM. IN NO EVENT WILL BUYER BE DEEMED TO HAVE WAIVED ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND (INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR THOSE ARISING FROM ANY COURSE OF DEALING OR USAGE OF TRADE) UNLESS SUCH WAIVER IS EXPRESSLY SET FORTH IN A WRITING HAND-SIGNED BY BUYER. The failure of Buyer to object to provisions contained in any acknowledgement or communication from Seller will not be construed as an acceptance of any such provision or as a waiver of these Terms. Without limiting the foregoing, Buyer expressly objects to all additional or contradictory terms specified or referenced in any other quote, email, acknowledgement, purchase order, confirmation, or other document supplied by Seller pertaining to the Products, including without limitation those terms and conditions regarding warranty, liability, and indemnity. No modification of any term or condition will be valid or binding upon Buyer unless approved by Buyer in a writing hand-signed by Buyer. Unless Buyer expressly indicates otherwise in such hand-signed writing, such modification is effective only in that instance and only for the purpose for which it is made and is not to be construed as a modification on any future occasion or of any other order or agreement. Clerical and stenographic errors are subject to correction by Buyer.

- 4. <u>Non-Exclusivity</u>. Nothing herein will be deemed to create an exclusive relationship between the parties. Buyer has the absolute right to purchase goods and services, including the Products, from sources other than Seller.
- 5. Termination for Convenience. Buyer reserves the right to terminate all or any part of a Purchase Contract or a Schedule for its sole convenience. In the event of a termination by Buyer pursuant to this Section without cause, Seller shall immediately stop all work and shall immediately cause its suppliers or subcontractors to cease such work. Seller shall be paid a reasonable termination charge reflecting the actual direct out of pocket costs reasonably incurred by Seller in its performance of the terminated Schedule prior to Buyer's notice of termination, provided that in no event shall such expenses exceed the purchase price set forth in the Schedule. In no event shall Buyer be liable for loss of profit or for any work performed by or on behalf of Seller after receipt of the termination notice, or for any costs incurred which reasonably could have been avoided. Any claims under this Section must be asserted in writing in detail within thirty (30) days of receipt of Buyer's termination notice, together with appropriate receipts and other documentation requested by Buyer.
- 6. <u>Termination for Cause</u>. Buyer may cancel a Purchase Contract and/or any Schedules without penalty: (a) if Seller fails to comply with the specifications, terms or conditions of a Purchase Contract, Schedule, or these Terms; (b) if delivery is delayed beyond the requested delivery date, if any; (c) if Seller files a voluntary petition under any federal or state bankruptcy or insolvency act, an involuntary bankruptcy petition is filed against Seller, or Seller is declared insolvent or has a receiver or trustee appointed for it or its assets, or if Seller makes an assignment for the benefit of creditors or commences proceedings under any state insolvency or similar law;

- (d) Seller violates (or is subject to government investigation(s) for violating) any of the Anti-Corruption Laws, Anti-Money Laundering Laws, Export Control Laws, or Customs Laws and FTAs described below; or (e) Buyer encounters any labor disputes, governmental orders or actions (including, without limitation, changes in Export Control Laws or the impositions or other restrictive international tax or trade measures), unavailability of transportation, fires, floods, breakdowns of essential machinery, accidents or other cause beyond its control which affects its ability to receive and use the Products ordered. In the event that Buyer cancels a Purchase Contract and/or Schedule pursuant to this Section, Seller shall be liable for all damages, including incidental and consequential damages, and reasonable attorneys' fees, directly or indirectly arising from Seller's default. These remedies shall be in addition to Buyer's other legal rights in law or equity.
- 7. Changes. Buyer may, effective upon notice to Seller, make changes to Buyer's designs, drawings, materials, packaging, time and place of delivery, method of transportation, specifications or other terms of a Purchase Contract or Schedule at any time prior to shipment of corresponding Products covered by a Purchase Contract or Schedule, which changes shall be immediately implemented by Seller. If any such change directly results in an increase or decrease in prices or delivery schedules of Products, then an equitable adjustment shall be made, provided that Seller makes and Buyer accepts a written claim for an adjustment prior to shipment of Products. If the parties are unable to agree upon the amount of the adjustment, Buyer may, without any liability to Seller, terminate a Purchase Contract or Schedule as to all Products affected. Seller shall not, without the prior written consent of Buyer, make any changes to: (a) the process, materials, procedures or equipment related to manufacture or supply of the Products; or (b) the designs, drawings, or specifications affecting Products. Seller shall notify Buyer of any such change prior to shipping or performing any affected Product to or for Buyer.
- 8. <u>Discontinuation of Products.</u> As set forth in Section 1 of these Terms, acceptance of the Purchase Contract by Seller pursuant to any of the methods described herein or permitted by law constitutes Seller's binding commitment to supply the Products pursuant to these Terms during the Supply Availability Period at the prices set forth on the Purchase Contract, in accordance with Schedules issued by Buyer from time to time. Following the expiration of the Supply Availability Period, Seller further commits to supply each Product, pursuant to these Terms and at the prices set forth on the Purchase Contract, in accordance with Schedules issued by Buyer from time to time unless and until such time as Seller discontinues the manufacture of such Product; provided, however, that Seller shall provide Buyer with at least three hundred sixty five (365) days' prior written notice that Seller intends to discontinues the manufacture of any Product previously purchased by Buyer. For the avoidance of doubt, Supplier may not discontinue the manufacture of any Product during the applicable Supply Availability Period.
- 9. <u>Delivery</u>. Seller shall cause timely delivery of the proper quantity of Products specified in a Schedule. Time is of the essence with respect to Seller's obligations hereunder. If delivery of Products is not completed by the specified delivery date, Buyer reserves the right, in addition to its other rights, to return Products or terminate all or part of a Purchase Contract and/or Schedule and charge Seller with all costs, expenses and damages associated with such return or termination. Seller shall include a packing slip in a waterproof envelope secured to package on all shipments. Seller shall pack all Products in accordance with any instructions provided by Buyer and in accordance with good commercial practices to ensure that no damage results from weather or transportation. The packing slip must include, but not be limited to, the following information:

Purchase Contract number, Schedule date, name and address of the Seller, name and address of shipper (if different from the Seller), a detailed description of the Products, Product model numbers, bar code labels, total number of boxes, unit price of each Product, value of any additions to the price paid or payable, and total invoice price. Seller must display the complete Purchase Contract number and Product part number on the outside of each delivered package or box. Seller shall strictly comply with Buyer's delivery instructions contained in a Purchase Contract or the applicable Schedule. If no delivery instructions are stated, prices charged to Buyer for goods are for delivery in accordance with 2010 Incoterms DDP to Buyer's premises, and all charges for taxes, storage, packing, and handling are included in the purchase price and shall be paid by Seller. Risk of loss shall be upon Seller until delivery to Buyer's facility or other designated location and acceptance after inspection by Buyer. In the absence of specific routing instructions, shipments are to be routed "Best Way". No charges for blocking, boxing, crating, dunnage, cartage, drayage or packaging will be allowed without the specific prior written approval of Buyer. Seller shall ensure that Product packaging and protection are suitable to keep the Products and all parts in good condition for the rigors of logistics handling as well as the time associated with logistics, plus three (3) months of Buyer's storage. Buyer, at its option, may return to Seller Products delivered earlier than the date specified on the Schedule, at Seller's sole risk and expense and/or withhold payment until the otherwise applicable payment period. The quantity of any goods that are delivered as part of the Products may not be greater or less than the amount specified in the applicable Schedule unless otherwise agreed to by Buyer in writing. Buyer, at its option, may return overshipments to Seller at Seller's expense. If Buyer so returns Products in either case, Seller's account shall be debited for the total amount or portion of any invoices (including shipping and freight expenses and taxes, if applicable), paid thereon.

10. Inspection and Acceptance. All Products shall be received subject to Buyer's inspection and testing from time to time at all reasonable times and places, including without limitation during the period of manufacture, and in any event prior to acceptance. Buyer shall have a reasonable time to inspect the Products after arrival at their destination, but in no event less than thirty (30) days. Upon notice, Buyer may make inspection visit(s) at the site where the Products are being designed or manufactured, or services are being performed. If Buyer determines that part of the Products are not in accordance with Buyer's instructions, specifications, drawings, and data or Seller's warranties (express and implied), or otherwise unsatisfactory to Buyer in its reasonable discretion, Buyer has the right to (a) reject any such Products and cancel any unshipped portion of the applicable Purchase Contract and/or Schedule without charge or expense to Buyer, and Seller shall reimburse Buyer for any amounts paid by Buyer on account of the purchase price of such rejected Products, and Seller shall immediately reimburse Buyer for any damages incurred by Buyer in connection with Seller's provision of such defective Products, or (b) require Seller to immediately replace all rejected goods at no extra cost to Buyer, re-perform any rejected services in a manner acceptable to Buyer, and reimburse Buyer for any damages incurred by Buyer in connection with Seller's provision of such defective Products. Products rejected or those which are supplied in excess of quantities called for herein may be returned to Seller at Seller's expense and risk of loss. Payment for the Products prior to inspection shall not constitute acceptance thereof, and shall be made without prejudice to any and all claims that Buyer may have against Seller. In the event the Products must be installed, tested, inspected or assembled prior to commercial use, they shall not be deemed finally accepted until such installation, testing, inspection or assembly, as the case may be, indicates that the Products are in accordance with specifications and are operating properly. Nothing contained in a Purchase Contract or Schedule

shall relieve Seller from its obligations of testing, acceptance and quality control. Seller will bear all risk of loss and will be responsible for any and all loss or damage to the Products until Buyer's acceptance of the Products, at which point title to the Products will pass to Buyer. Buyer may inspect during regular business hours Seller's facilities where the Products are made or performed.

- 11. Prices and Payment. Seller shall sell to Buyer the Products shown on the face of a Purchase Contract and/or Schedule at the prices specified. Except as otherwise provided in a Purchase Contract, such prices are inclusive of any and all other charges for the Products (including, but not limited to, any charges for freight, boxing, packing, cartage or other additional charges). Unless otherwise specified on the face of a Purchase Contract, the prices herein include all applicable federal, state, local, and other taxes, customs, duties and fees of every kind and nature, including, without limitation, sales and use taxes. Seller warrants that the prices are not in excess of the lowest prices charged by Seller to other customers for similar Products. Seller's invoice shall include Buyer's Purchase Contract number, and shall include the Products' packing slip reference or number wherever possible. Seller shall not make partial shipments under any Purchase Contract or Schedule without Buyer's prior written approval. If partial shipments of Products are permitted by Buyer to be made, Seller must render separate invoices for each shipment, and payment for Products by Buyer shall be due sixty (60) days after Buyer's acceptance of the final shipment of Products delivered pursuant to the applicable Schedule. Payment by Buyer will not constitute acceptance of Products, nor impair Buyer's right to inspect Products, or invoke any of its remedies. For the avoidance of doubt, Seller may not raise the prices for any Product at any time for any reason during the Supply Availability Period, except as expressly set forth herein.
- 12. <u>Setoff.</u> Buyer may set off and deduct from Seller's invoices any monies owed to Buyer or its affiliates by Seller or its affiliates. In addition, Buyer may set off any amount due Seller or its affiliates, whether or not under any Purchase Contract or Schedule, against an amount sufficient to protect Buyer from all claims, losses, damages and expenses arising from Seller's breach of a Purchase Contract or Schedule or other acts or omissions. Seller may not set off any amount due from Buyer, whether or not under these Terms or any Purchase Contract or Schedule, against any amount due Buyer without Buyer's prior written consent.
- Proprietary Information; Confidentiality. All non-public, confidential or proprietary 13. information (whether or not marked, designated, or otherwise identified as "confidential") of Buyer and Buyer's affiliates, customers, and suppliers furnished by Buyer or any other person acting on behalf of Buyer and all such information learned or observed about Buyer or its operations through performing a Purchase Contract or Schedule is confidential and Seller shall not disclose any such information to any other person, or use such information for any purpose other than performing a Purchase Contract or Schedule without Buyer's express written consent. All information in tangible form, including drawings, samples, models, specifications, or other documents provided by Buyer or prepared by Seller for Buyer shall be returned to Buyer promptly upon request. Seller shall not publicize the fact that Buyer has contracted to purchase Products from Seller, nor shall any information relating to a Purchase Contract or Schedule be disclosed without Buyer's written consent. Seller shall not disclose or use Buyer's name in any general advertising, nor disclose that Buyer is a client of Seller, without Buyer's prior written consent. Unless otherwise agreed in writing, no information disclosed by Seller to Buyer shall be deemed confidential and Seller shall have no rights against Buyer with respect to Buyer's use thereof. Buyer is entitled to injunctive relief for any violation of this Section without the necessity of

proving damages or posting bond. This Section does not apply to information that is lawfully obtained by Seller on a non-confidential basis from a third party without confidentiality obligations in regards to such information. The provisions of this Section shall survive any expiration, termination, or fulfillment of any Purchase Contract or Schedule or any other agreement between the parties.

14. Representations and Warranties. In addition to all warranties prescribed by law, Seller specifically represents, warrants, and guarantees that: (a) all Products shall conform strictly to the designs, specifications, tolerances, descriptions (whether oral or written, including on Seller's website or catalog), drawings, samples and other requirements referred to in a Purchase Contract or Schedule or provided by Buyer or otherwise made available to Seller; (b) all Products shall be merchantable and free from defects in design, materials and workmanship; (c) all Products shall be fit and safe for their intended purpose, provided that Seller will have the burden of proving that Seller was unaware of Buyer's intended purpose and, absent such proof, Seller will be deemed to have known Buyer's intent to use the Products in the manner Buyer actually uses the Products; (d) all Products shall be free from liens, encumbrances, and other claims against title; (e) Seller will have good and marketable title to all goods included in the Products prior to delivering the Products to Buyer; (f) all Products shall be new and not contain any used or reconditioned parts or materials, except to the extent specifically agreed to by Buyer in writing prior to delivery of the Products; (g) all Products shall be approved by licensed professionals in the event professional design work is involved; (h) all Products shall include all Material Safety Data Sheets (MSDS), operation, testing, service and maintenance manuals, instructions, warnings, software (including source code) and documentation; (i) to the extent any of the Products require calibration, such calibration shall be performed by qualified personnel using equipment calibrated against a national or international standard as part of a calibration system approved by Buyer in advance; (i) each of Seller's employees, agents, or representatives assigned to provide services under a Purchase Contract or Schedule or these Terms will have the proper skill, training, and background to perform such services in a competent and professional manner; (k) all services included in the Products will be performed in a timely, workmanlike, competent, and professional manner and in accordance with the highest industry standards and practices; (1) all Products will comply with all applicable federal, state and local laws, regulations, orders, and ordinances; and (m) the Products and Buyer's authorized use thereof will not infringe or misappropriate, or contribute to the infringement or misappropriation of, any patents, copyrights, trademarks, trade names, or other intellectual property or proprietary rights. Seller also represents and warrants that it shall obtain and assign or otherwise provide to Buyer the benefits of warranties and guarantees provided by manufacturers or suppliers of material or equipment included or incorporated into the Products or services, and shall perform its responsibilities so that such warranties or guarantees remain in full effect. Seller further represents and warrants that there will be no changes to processes, subsuppliers, materials, procedures or equipment without Buyer's prior written consent. Seller agrees to promptly, at Buyer's option, refund the purchase price of, replace or otherwise correct, without expense to Buyer, any of the Products or services which do not conform to the foregoing warranties. In the event that Seller fails to promptly make such refund, replacement or correction, Buyer may cause such replacement or correction to be made and charge Seller for all expenses associated therewith. The foregoing warranties and remedies shall be in addition to any warranties or remedies provided by law and shall survive inspection, test, acceptance and payment. All of Seller's warranties shall run to Buyer, Buyer's successors, assigns and users of the Products and

customers, such customers to include but not be limited to users of Buyer's products that contain, incorporate or embody the Products.

- 15. Indemnification. Seller's indemnification obligations hereunder shall not lessen or diminish any of Seller's other responsibilities pursuant to a Purchase Contract or Schedule, including, but not limited to, Seller's warranty obligations. SELLER SHALL DEFEND, INDEMNIFY, AND HOLD BUYER, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, AGENTS, DIRECT OR INDIRECT CUSTOMERS AND USERS, SUCCESSORS, AND ASSIGNS HARMLESS AGAINST ANY CLAIMS, DEMANDS, ACTIONS, PROCEEDINGS, LIABILITIES, LOSSES, OR EXPENSES WHATSOEVER, INCLUDING ALL ATTORNEYS' FEES, ARISING FROM OR RELATED TO ANY ACTUAL OR ALLEGED (A) DEFECT IN THE PRODUCTS, (B) FAILURE TO COMPLY WITH SPECIFICATIONS IN AN PURCHASE CONTRACT OR SCHEDULE OR WITH THE EXPRESS AND IMPLIED WARRANTIES OF SELLER, OR ANY OF THESE TERMS OR TERMS OF ANY ORDER, (C) ACT OR OMISSION OF SELLER OR ITS AGENTS, EMPLOYEES, OR SUBCONTRACTORS RELATED TO THE PROVISION, SALE OR USE OF THE PRODUCTS OR SELLER'S PERFORMANCE OF ITS OBLIGATIONS UNDER ANY ORDER, (D) VIOLATION BY THE PRODUCTS, OR IN THE PROVISION, MANUFACTURE, SALE, OR USE OF THE PRODUCTS, OF ANY STATUTE, ORDINANCE OR ADMINISTRATIVE ORDER, RULE, REGULATION, OR ORDINANCE, OR (E) INFRINGEMENT BY ANY PRODUCT OF ANY PATENT, TRADEMARK, OR OTHER TRADE DESIGNATION, TRADE SECRET, COPYRIGHT, OR OTHER INTELLECTUAL PROPERTY RIGHT, WHICH RIGHT WAS IN EFFECT AT THE TIME SELLER ACCEPTED THE APPLICABLE SCHEDULE (OTHER THAN INFRINGEMENT CAUSED SOLELY BY SPECIFICATIONS PROVIDED BY BUYER). If any claim, demand, action, or proceeding is commenced against Buyer by reason of any of the above matters, Buyer shall give Seller notice thereof in writing; provided, however, that any failure by Buyer to give such notice will only relieve Seller of liability if and only to the extent that Seller is directly and materially prejudiced thereby. Buyer shall have the right to employ, at Seller's expense, counsel on its own behalf, and shall have the right to participate in the defense of any such suit.
- 16. <u>Intellectual Property License</u>. To the extent not Buyer-Furnished Property, Seller hereby grants to Buyer an irrevocable, non-exclusive, fully transferable, sublicensable, assignable, fully paid-up, royalty-free license to make, have made, use and sell any invention, improvement, or discovery (whether or not patentable) that Seller conceives, develops, or first actually reduces to practice in the course of performing a Purchase Contract or Schedule. Seller agrees, and shall cause its employees and subcontractors to agree, that with respect to any Product that may qualify as "work made for hire" as defined in 17 U.S.C. §101 or any successor law, such Product is a "work made for hire" for Buyer. To the extent that any of the Product does not constitute a "work made for hire," Seller hereby irrevocably assigns, and shall cause its employees and subcontractors to irrevocably assign to Buyer, in each case without additional consideration, all right, title, and interest throughout the world in and to the Product, including all intellectual property rights therein.
- 17. <u>Trademarks</u>. Buyer warrants that all of the trademarks Buyer requests Seller to affix to the Products are owned or authorized for use by Buyer. Seller will not acquire and shall not claim any rights, title, or interest in such trademarks or use any such trademarks on any articles produced for

or provided to anyone other than Buyer. Any goods included in the Products that are peculiar to Buyer's design, either as an assembly or component part of any assembly, as well as any Products bearing any trademark or identification mark of Buyer, may not bear any trademark or other designation of Seller or a third party.

- 18. <u>Insurance</u>. Seller shall, at its own expense, maintain and carry insurance in full force and effect in accordance with the requirements posted on Buyer's website or otherwise provided by Buyer from time to time; Seller shall annually provide Buyer a certificate of insurance evidencing compliance with such requirements. If Buyer fails to provide Seller with applicable requirements, Seller shall at all times maintain insurance in at least the following amounts: general liability insurance of \$2,000,000 per occurrence and \$5,000,000 in the aggregate; umbrella/excess liability insurance of \$1,000,000; employer's liability insurance of \$1,000,000; and any statutorily required worker's compensation insurance. Seller shall provide Buyer with thirty (30) days' advance written notice in the event of a cancellation or material change in Seller's insurance policy. Under no circumstances will Buyer be required to provide additional insured status to Seller, nor will Buyer's insurer be required to waive subrogation rights against Seller or Seller's insurer. Buyer may maintain insurance in such types and amounts as Buyer may deem appropriate, in Buyer's sole discretion.
- 19. Material Furnished. With respect to any material, tooling, equipment, drawing, patterns, designs, and other property or data furnished by or on behalf of Buyer ("Buyer-Furnished Property") in connection with these Terms and/or a Purchase Contract or Schedule, Seller agrees: (a) not to substitute any other Buyer-Furnished Property in such fabrication or make process changes without Buyer's written consent, (b) that title to such Buyer-Furnished Property shall not be affected by incorporation in or attachment to any other property, and (c) to state and warrant on its invoice for final parts that "All Buyer-Furnished Property on this contract (except that which became normal industrial waste or was replaced at Seller's expense) has been returned in the form of parts and unused material." Proceeds of scrap salvage shall accrue to the benefit of Buyer and will result in a reduction of the prices stated in the applicable Purchase Contract or Schedule. Any such material scrapped because of defective workmanship of Seller shall be replaced or paid for by Seller. Seller shall not disclose to any third party, or use, reproduce, or appropriate any Buyer-Furnished Property, nor will Seller use the same to produce, manufacture or provide more of the Products than is required hereunder. All Buyer-Furnished Property is being provided for use on an "as-is" basis, and Buyer makes no representations or warranties with respect thereto, whether express or implied. Seller agrees that no inaccuracy or inadequacy in Buyer-Furnished Property shall excuse performance not in strict accordance with specifications and that such Buyer-Furnished Property shall be used by Seller at Seller's own risk. Title to Buyer-Furnished Property will remain with Buyer at all times. Buyer has no obligation to furnish any Buyer-Furnished Property, and Seller is solely responsible for obtaining and maintaining the tools and equipment necessary for the fulfillment of its obligations hereunder, including all repair and replacement costs associated therewith. Seller will bear the risk of loss or damage to all Buyer-Furnished Property unless such loss or damage is solely, directly, and proximately caused by Buyer. All Buyer-Furnished Property, together with spoiled and surplus materials, must be returned to Buyer at termination or completion of this Agreement or upon Buyer's demand, whichever occurs first, unless Buyer otherwise directs. All designs, sketches, patterns, tools, equipment, special appliances, software, plans, documents, models, interfaces, data, and configurations ("Equipment") paid for directly or indirectly (including as part of the purchase price, whether or

not specifically itemized) by Buyer are Buyer-Furnished Property and subject to the terms of this Section. Any Equipment purchased, furnished, or used by Seller in its performance of its obligations under these Terms and/or a Purchase Contract or Schedule that does not become Buyer-Furnished Property under this Section is subject to Buyer's option, at any time and from time to time, to purchase from Seller some or all of such Equipment, and upon the exercise of such option Buyer will become the owner and entitled to possession of the same. The purchase price for such Equipment may not exceed to the initial cost of such Equipment less any accumulated depreciation. Seller shall not sell or otherwise dispose of any such Equipment without the prior written consent of Buyer.

- 20. <u>Steel Castings</u>. Steel castings shall not be welded without Buyer's consent which if given shall not relieve Seller of Seller's warranty responsibility regarding the Products.
- 21. <u>Publicity</u>. Seller shall not, without first obtaining the written consent of Buyer, in any manner, advertise or publish the fact that Seller has contracted to furnish Buyer the material herein ordered, or that such material has been supplied, or that Buyer is a customer of Seller.
- 22. <u>Non-solicitation</u>. For so long as there is any Purchase Contract or Schedule in effect between Buyer and Seller and for 12 months thereafter, Seller shall not solicit for employment any employee or contractor of Buyer. Buyer is not to be restricted from soliciting any employee, contractor, or customer of Seller.
- 23. <u>No Liens</u>. Seller agrees that it shall not file any liens as a result of producing Products or services hereunder and that it shall not permit its subcontractors or other suppliers to file such liens. When requested, Seller shall provide Buyer with lien waivers for itself, its subcontractors and other suppliers in a form satisfactory to Buyer. If a lien is filed, Seller shall cooperate fully with Buyer, at Seller's expense, to cause the lien to be removed.
- 24. Compliance with Law. Seller will at all times comply with all federal, state, local and foreign laws, rules and regulations applicable to its obligations under a Purchase Contract and/or Schedule and, if applicable, its manufacture of Products. Without limiting the foregoing, Seller is responsible for documenting its process to ensure that the purchased products, processes, and services conform to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipment, and the Buyer-identified country of destination, and Seller shall cause that all applicable requirements (including without limitation requirements relating to compliance with all such applicable statutory and regulatory requirements) are cascaded down throughout the supply chain to the point of manufacture. Seller shall furnish to Buyer any information required to enable Buyer to comply with all applicable laws, rules, and regulations in its use of the Products or reasonably requested by Buyer to confirm compliance with such laws, rules and regulations or with the provisions of a Purchase Contract or Schedule. Unless a Purchase Contract or Schedule is exempted by rules and regulations of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246, there is incorporated herein by reference Paragraphs (1) through (8) of the contract clause set forth in Section 202 of Executive Order 11246. Unless a Purchase Contract or Schedule is exempted by Rules and Regulations of the Secretary of Labor issued pursuant to Title 41, Chapter 60, Part 60-250 of the Code of Federal Regulations, the Affirmative Action clause contained in 60-250.4(a)-(m) is incorporated herein by reference relating to Affirmative Action for Veterans. Unless a Purchase Contract or Schedule is exempted

by Rules and Regulations of the Secretary of Labor issued pursuant to Title 41, Chapter 60, Part 60-741 of the Code of Federal Regulations, the Affirmative Action clause contained in 41 C.F.R. 60-741.5(a), relating to Affirmative Action for Individuals with Disabilities, is incorporated herein by reference. Seller represents and warrants that Seller is and will at all times remain in compliance with all laws administered by the U.S. Treasury Office of Foreign Assets Control or any other governmental entity imposing economic sanctions and trade embargoes ("Economic Sanctions Laws") against designated countries, entities, and persons (each an "Embargoed Target"). Seller is not an Embargoed Target or subject to any Economic Sanctions Law, and Seller shall not (a) directly or indirectly export, re-export, transship or otherwise deliver any goods, including goods included within the Work, to an Embargoed Target or (b) broker, finance or otherwise facilitate any transaction in violation of any Economic Sanctions Law.

- 25. <u>Anti-Corruption Laws</u>. Seller shall comply with all applicable anti-bribery, anti-corruption, and recordkeeping requirements imposed under the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), the United Kingdom Bribery Act ("UKBA"), and any anti-bribery or anti-corruption laws of similar effect in the jurisdictions where Buyer conducts business (collectively "Anti-Corruption Laws"). Seller acknowledges that these Anti-Corruption Laws may apply to conduct occurring outside the United States and can result in enforcement actions by U.S. Government agencies.
- 26. Anti-Money Laundering Laws. Seller shall comply with all applicable provisions of the (i) the Currency and Foreign Transactions Reporting Act of 1970 (31 U.S.C. 5311 et. seq., (the Bank Secrecy Act)), as amended by Title III of the USA PATRIOT Act, (ii) the U.S. Trading with the Enemy Act, (iii) U.S. Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (66 Fed. Reg. 49079), any other enabling legislation, executive order or regulations issued pursuant or relating thereto applicable in the jurisdictions where it conducts business (collectively "Anti-Money Laundering Laws"). Seller acknowledges that these Anti-Money Laundering Laws may apply to conduct occurring outside the United States and can result in enforcement actions by U.S. Government agencies.
- 27. <u>Customs Laws & Free Trade Agreements</u>. Seller shall comply with all applicable laws governing the classification, valuation, origination, and marking of foreign-origin products imported into the United States or the other jurisdictions where it conducts business (collectively "Customs Laws"), as well as any similar requirements imposed under bilateral or multilateral Free Trade Agreements that may apply to its transactions with Buyer ("FTAs"). To the extent that Buyer ever serves as the importer of record for Seller's products in any jurisdiction (or is otherwise required to file entry documents with customs authorities), Seller shall provide Buyer with any information necessary for Buyer to expedite the relevant entries and comply with any applicable Customs Laws. In such circumstances, Seller shall indemnify Buyer against any fines, penalties, forfeitures, or costs (including applicable attorney's fees) that may arise from Seller's failure to provide Buyer with such information.
- 28. <u>Export Control Laws</u>. Seller shall comply with all applicable economic sanctions, export control laws, and other restrictive trade measures imposed by the United States Government, United Kingdom Government, European Union ("EU"), and United Nations Security Council, and any other jurisdictions where Buyer conducts business (collectively "Export Control Laws"). Illustrative examples include, without limitation, (i) the Export Administration Act of 1979, as

- amended (50 U.S.C. app. 2401-2420) and the Export Administration Regulations, 15 C.F.R. §§ 730-774 ("EAR"); (ii) the Arms Export Control Act, 22 U.S.C. § 2778, and the corresponding ITAR; (iii) the economic sanctions laws and regulations enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), 31 C.F.R. Part 500 et seq., and the U.S. Department of State's Office of Terrorist Financial and Economic Sanctions Policy; and (iv) all Anti-Boycott laws, regulations, guidelines, and reporting requirements, including those issued under the Export Administration Regulations and Section 999 of the Internal Revenue Service Code Seller acknowledges that these Anti-Money Laundering Laws may apply to conduct occurring outside the United States and can result in enforcement actions by U.S. Government agencies.
- 29. <u>Import Drawback Rights</u>. This Purchase Contract includes all related customs duty and import drawback rights, including rights developed by substitution and rights which may be acquired from Seller's suppliers which Seller can transfer to Buyer. Seller agrees to inform Buyer of the existence of any such rights and upon Buyer's request provide Buyer with such documents as may be required by the customs authorities of the country of receipt to prove importation and to transfer duty drawback rights to Buyer.
- 30. Work Performed on Buyer's Premises. IF ANY WORK UNDER AN ORDER IS TO BE PERFORMED ON BUYER'S PREMISES, SELLER AGREES TO INDEMNIFY BUYER AGAINST ALL DAMAGES, CLAIMS AND EXPENSES ARISING OUT OF SUCH WORK AND BASED UPON PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE AND OTHER MATTERS RELATING TO ANY ACTS OR OMISSIONS OF SELLER, SELLER'S EMPLOYEES OR REPRESENTATIVES. PRIOR TO COMMENCEMENT OF SUCH WORK ON BUYER'S PREMISES, SELLER SHALL FURNISH TO BUYER SATISFACTORY EVIDENCE THAT SELLER AND SELLER'S REPRESENTATIVES HAVE **ADEQUATE GENERAL** COMMERCIAL LIABILITY, **PROPERTY** EMPLOYER'S LIABILITY AND WORKMEN'S COMPENSATION INSURANCE. SELLER AGREES TO PERFORM THE WORK IN ACCORDANCE WITH THE SAFETY RULES OF BUYER AND APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS.
- 31. <u>Anticipated Delay</u>. If at any time Seller has reason to believe that deliveries of Products will not be made as scheduled, written notice setting forth the cause of the anticipated delay will be given immediately to Buyer. Seller, by giving this notice, is not relieved of any of its obligations under a Purchase Contract or Schedule and is still bound to deliver the Products on time.
- 32. Excuse from Performance. Buyer will be excused from performance under these Terms and any Purchase Contract or Schedule if performance is rendered impracticable by any accident, breakdown, riot, war, delay, labor or transportation problem, act of God, or other causes or conditions, whether of like or different nature, that are beyond Buyer's reasonable control. In the event of Seller's delay or failure to perform for any reason, in addition to all other remedies available, Buyer may at its option (a) require Seller to procure the Products from other sources or (b) procure some or all of the Products itself from other sources and reduce or terminate (at Buyer's option) Buyer's obligation to Seller under the applicable Purchase Contract and/or Schedule, without liability to Seller. At Buyer's request, Seller shall provide adequate assurances that the delay or failure to perform will not exceed 10 days. If Seller fails to provide such assurances within 3 days of Buyer's request or fails to perform within the 10-day period, Buyer may

immediately cancel the applicable Purchase Contract and/or Schedule, any or all other outstanding Purchase Contracts and Schedules, and/or these Terms without liability, and Buyer may pursue all remedies available to it against Seller.

- 33. <u>Governmental Approval</u>. If the articles covered by a Purchase Contract or Schedule require approval for the sale or use thereof by governmental statute, rule, regulation, code, ordinance or executive order, whether now or hereinafter in force, Seller certifies it has or will obtain approval of the sale and/or use from the appropriate agency of each of the governmental units requiring same. Upon request, Seller will submit to Buyer a copy of each such approval for sale and/or use.
- 34. <u>Import Requirements.</u> Upon Buyer's request, Seller shall provide Buyer with an appropriate certification stating the country of origin for the goods sufficient to satisfy the requirements of: (a) the customs authorities of the country of receipt and (b) any applicable export licensing regulations, including those of the United States. Seller shall ensure that all goods are marked (or, if applicable, the container holding the goods is marked) with the country of origin. Seller shall ensure compliance in marking the goods with the requirements of the customs authorities of the country of receipt. Seller shall comply with all other government agency requirements of the country to which the goods are shipped. Failure to comply with import requirements will result in the transfer of financial and legal obligations to Seller. NAFTA Certificate of Origin will be required. The Purchase Contract includes all related customs, duty and import drawback rights, including rights developed by substitution and rights that may be acquired from Seller's suppliers that Seller may transfer to Buyer. Seller agrees to inform Buyer of the existence of any such rights and, upon Buyer's request, shall provide Buyer with such documents as may be required by the customs authorities of the country of receipt to prove importation and to transfer duty drawback rights to Buyer.
- 35. <u>Independent Contractor</u>. Seller, its agents and other suppliers, shall at all times be independent contractors and no express or implied representations to the contrary shall be made. Seller shall at all times retain exclusive liability for wages and all employment-related obligations due its employees and shall indemnify Buyer for any liability arising therefrom.
- 36. Reservation of Rights; Waiver. Buyer explicitly reserves its right to a jury trial, as well as it rights to all remedies available to it under applicable law, including, without limitation, all rights to indirect, incidental, consequential, punitive, exemplary, and special damages. The failure of Buyer to insist upon strict performance of any term or condition contained in these Terms or a Purchase Contract or Schedule will not be considered a continuing waiver of such term or condition, or any other term or condition, or any of Buyer's rights. In addition, if any term in these Terms or a Purchase Contract or Schedule is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such determination will not affect the remainder of these Terms or such Purchase Contract or Schedule, which will remain in full force and effect.
- 37. <u>Miscellaneous</u>. (a) All Purchase Contracts and Schedules and the parties' performance hereunder and thereunder shall be governed by the internal laws of the state of Wisconsin, including the Uniform Commercial Code as adopted by such state, without giving effect to conflict of laws principles. Seller hereby consents to the exclusive jurisdiction and venue of the courts located in Waukesha County, Wisconsin. (b) The warranties and remedies set forth herein shall be cumulative, and no warranty or remedy provided herein shall be exclusive of any other warranty

or remedy hereunder or in any Purchase Contract or Schedule, or provided by any applicable law. (c) Seller may not directly or indirectly assign, transfer, or otherwise confer, whether voluntarily or involuntarily, by merger, consolidation, dissolution, change of control, or otherwise, these Terms and/or any Purchase Contract or Schedule or any of Seller's rights hereunder or thereunder, nor delegate any of Seller's obligations under these Terms and/or any Purchase Contract or Schedule, without Buyer's written consent. Any purported assignment or delegation in violation of this Section will be void. Buyer may assign these Terms and/or any Purchase Contract or Schedule and any of Buyer's rights hereunder or thereunder and delegate any of Buyer's obligations under these Terms and/or any Purchase Contract or Schedule. If Buyer assigns these Terms and/or any Purchase Contract or Schedule or delegates any obligations under these Terms and/or any Purchase Contract or Schedule (whether in whole or in part), Seller shall, as it relates to such part that was assigned or delegated, release Buyer from all liability under these Terms and/or the applicable Purchase Contract or Schedule and hold the assignee solely responsible for performance of all such obligations. (d) In the event Buyer is involved in any litigation with respect to a Purchase Contract or Schedule, Buyer shall recover from Seller its costs and attorneys' fees incurred in enforcing or defending its rights hereunder. (e) Captions preceding particular sections are for convenience only and are not to be construed as part of a Purchase Contract or Schedule or as a limitation of the scope of a particular section to which they refer. (f) These terms are made in the English language only, which language shall be controlling in all respects and all versions of the terms in any other language shall be for accommodation only and shall not be binding upon the parties. (g) The United Nations Convention on Contracts for the International Sale of Goods shall not apply to any Purchase Contract, Schedule, or transaction between the parties. All customs fees, import duties, cargo insurance, taxes and other charges imposed on or relating to the purchase or sale of the Products shall be paid by Seller, and prices include all commercial export packaging.