

TERMS AND CONDITIONS



1. All goods, products or materials shall be suitably packed, loaded, stored, marked and shipped as required by common carriers and in a manner to secure lowest transportation costs. Prepaid transportation costs must be shown on Seller's invoice and a receipted expense bill attached thereto. No additional charges shall be made to Buyer therefore or for boxing or drayage unless stated herein, and title and risk of loss shall not pass from Seller to Buyer until said goods, products or materials have actually been received by Buyer or its consignee. Any expenses incurred by reason of Seller's failure to follow shipping instructions will be charged to Seller. On carload shipments, notice showing contents, car numbers, gross, tare and net weights, must be sent promptly to Buyer's facility to which such carload shipments are consigned. Also, gross, tare and net weights must be shown on invoices. Carload shipments arriving at Buyer's facility before receipt of carload shipment information will be refused. Seller expressly agrees to notify Buyer if Seller is unable to meet Buyer's delivery requirements. If Seller fails to meet Buyer's delivery schedules for any reason, including without limitation, any reason beyond Seller's control, then Buyer may at its option in addition to and not in lieu of any remedy provided by law, cancel this purchase order in whole or in part, obtain elsewhere the goods, products, materials or services covered by this purchase order and may then charge to Seller all costs of such substitution or "cover," and / or charge Seller for all compensatory and consequential damages caused by such failure to meet delivery schedules. Prices and terms contained in this order include all taxes unless otherwise indicated. Unless specified herein, Seller will not fill this order at a price higher than last charged or quoted without first advising Buyer and receiving Buyer's consent in writing signed by Buyer's authorized representative.
2. All goods, products, materials and services (hereinafter referred to interchangeably in this purchase order as "good") shall be received at their destination subject to Buyer's final inspection and acceptance, but such inspection or acceptance shall not relieve Seller from any liability arising out of or under this purchase order. In the case of carload shipments, when the goods have arrived at their destination the weights of such goods will govern settlement between the Buyer and Seller. Buyer will have no obligation, however, to pay for goods which are in excess of the quantities specified herein or specified on Buyer's delivery schedules. Because goods may be put in inventory or storage or used without examination and no inspection made until after such goods are to be employed or resold, such inspection and implied acceptance by Buyer may take place at any reasonable time after physical receipt of such goods by Buyer. No reasonable delay in return or rejection of such goods shall be considered as acceptance or waiver of Buyer's right to return, reject, or retain them as provided herein or by law, whether or not the goods are utilized within that period. Payment for goods prior to final inspection shall not constitute acceptance thereof, and acceptance after inspection shall not waive any remedies available to Buyer arising out of or as a result of a breach of Seller's warranties. Any goods not in precise conformity to Buyer's specifications or Seller's warranties may be rejected, returned, or retained by Buyer at seller's risk and expense, including the following expenses where applicable: the cost of substitution or "cover"; transportation both way; labor; administrative expenses; and reloading and trucking. If Buyer elects to retain the non-conforming goods, then Seller shall pay Buyer for all necessary costs and expenses incurred in correcting such defective or unsuitable goods. Buyer will not be responsible for any goods delivered without a purchase order to any of its facilities or employees.
3. SELLER EXPRESSLY WARRANTS TO BUYER THAT ALL GOODS COVERED BY THIS PURCHASE ORDER: (1) are merchantable and free from defect in material, design and workmanship; (2) are fit and safe for any purpose for which they are foreseeably to be used by Buyer, by Buyer's customers and by the ultimate consumer of the goods and shall have been shown to be in the warranted condition, insofar as is reasonably practical, by reasonable and representative tests under procedures provided in any relevant legislation; (3) as supplied, comply in all respects with all specifications, drawings, samples or other descriptions provided by Buyer or agreed to in writing by the Buyer's Purchasing Agent (shown on the face hereof), and are in accordance with Seller's specifications, drawings or samples which are contained in Seller's catalogs or sales materials; and (4) comply with any applicable governmental law (local, state, federal or foreign) and the rules, regulations, standards or orders that are promulgated thereunder (including without limitation, laws governing weights, measures, sources, content, labeling and origin disclosure trademark and copyright, the Fair Labor Standards Act, Occupational Safety and Health Act, Hazardous Substances Act, Toxic Substances Control Act, Hazardous Materials Transportation Act, Transportation Safety Act of 1974, Consumer Product Safety Act, Civil Rights Act, Rehabilitation Act of 1973, Veteran's Employment and Readjustment Act of 1974 and Executive Orders 11246, 11375, 11625 and 11701) and that their provisions, as appropriate, are incorporated herein by specific reference. To the extent that this order is subject thereto, the "Equal Opportunity Clause" set forth in 41 CFR 60-1.4 and the "Affirmative Action Clauses" set forth in 41 CFR 60-250.4 and 41 CFR 60-741.4 are incorporated herein by reference. Seller further

warrants that the normal use of any such goods by Buyer in its manufacturing processes will result in no violation of any such law, order, rule, regulation or standard.

4. Seller hereby agrees to indemnify and save harmless the Buyer (including any of Buyer's divisions, subsidiaries, lessors, lessees, or affiliates) and any of Buyer's customers against all liabilities, claims (founded or unfounded), losses, damages, costs and expenses of any kind (including without limitation, consequential damages and reasonable professional fees) arising out of: (1) imperfect material or adulteration or foreign matter in any goods purchased hereunder; (2) imperfect workmanship in or construction of any such goods, or their containers, or application of skill contracted for; (3) any "infringement", trademark, copyright or other litigation or threatened litigation of any kind in connection with any of the goods; (4) any breach or alleged breach of any representation, covenant, or warranty of Seller to Buyer contained herein; (5) any action or claim or suit or prosecution or threat of the foregoing for alleged injury to or death of persons or alleged damage to property resulting from the contemplated or foreseeable handling or use of the goods. In connection with the foregoing, Buyer (as defined above) shall have the right to control the conduct of any litigation instituted against it, as well as control of any settlement thereof or of any threatened litigation against it without affecting or reducing Buyer's right to be indemnified by Seller hereunder. Seller further agrees to indemnify, defend and hold Buyer harmless against any costs or liability resulting from infringement of United States patents on goods furnished by Seller except Buyer-designed goods. Seller further agrees that any money due to the Seller may be retained by the Buyer until all such claims, actions, suits or prosecutions shall have been settled and evidence to that effect furnished to the satisfaction of the Buyer. Indemnities contained in this paragraph shall survive delivery of goods or performance of service hereunder.
5. If goods are to be fabricated, assembled or installed in whole or in part, on Buyer's premises, Seller shall defend, indemnify and hold Buyer harmless against any and all claims, demands, debts, obligations or liabilities resulting directly or indirectly, from any death, personal injury or property damage which occurs in connection with the work covered by this purchase order. If goods are to be fabricated, assembled or installed, in whole or in part, on Buyer's premises, Seller shall keep such premises free and clear of all mechanics' liens arising in connection with this order and shall execute or cause to be executed such lien waivers, guarantees and related forms and Seller shall furnish or cause to be furnished such evidence of insurance as Buyer shall reasonably request.
6. Data, drawings, specifications or any other technical information directly or indirectly furnished to Seller in writing or otherwise by Buyer and relating to this order shall be treated as confidential and in no event become the property of Seller and shall be used only in fulfilling the obligations imposed by this order and shall not be duplicated by Seller or disclosed by him to others or used by him in whole or in part for any other purpose. Buyer's actions in the furnishing of data, drawings, specifications or other technical information shall in no way be construed as granting any express or implied rights whatsoever under any of Buyer's patents. Any and all molds, tools, dies, jigs, fixtures or similar items ordered herein or delivered to Seller by Buyer shall become and remain the property of Buyer, and shall be used in the manufacture of articles for Buyer exclusively and shall be delivered to Buyer forthwith upon Buyer's request and without additional cost to Buyer.
7. Seller expressly consents to *in personam* jurisdiction of Seller in any court where any action, claim or suit arising hereunder is prosecuted. Seller further agrees that service of process may be made upon Seller by mail, postage prepaid, addressed to Seller's last known address. Seller and Buyer each expressly agree to promptly notify the other of any action, suit, claim or threat of action of any kind arising hereunder which their respective home offices or legal departments or attorneys in any way obtain actual knowledge.
8. Buyer shall at any time have the right to make changes in: (1) specifications, drawings and data; (2) methods of shipment or packaging; (3) place of deliver; and (4) time of delivery. Buyer and Seller shall make an equitable adjustment in the purchase price to reflect cost differences arising out of any such changes. Buyer shall have the right at any time to cancel the undelivered portion of this purchase order in whole or in part by written or telegraphic notice to Seller. Upon receipt of such notice, Seller shall immediately discontinue any and all work on the canceled portion of this purchase order except such work as may be necessary to preserve and protect the work and materials then in process. Further, Seller shall use its best efforts to cancel and terminate all existing orders placed or entered into by Seller which are chargeable to the canceled portion of this purchase order. In the event of such cancellation, Buyer shall make payments to Seller in full settlement of all justified claims arising out of such cancellation. In the case of such claims, Seller shall retain any work

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done or any material which is a part of any such claim for disposition in accordance with Buyer's instructions. If Seller breaches any of the terms of this purchase order, including any of the warranties given by the Seller, then Buyer may forthwith cancel this order or any part thereof and Buyer will then be entitled to recover from Seller the cost of substitution or "cover".

9. THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS, CONDITIONS AND SPECIFICATIONS CONTAINED HEREIN AND ON THE FRONT SIDE HEREOF. ANY ADDITIONAL TERMS, CONDITIONS OR SPECIFICATIONS PROPOSED BY SELLER, WHETHER STATED IN SELLER'S FORM OF ACKNOWLEDGEMENT TO THE ORDER OR ELSEWHERE, ARE REJECTED AND BUYER EXPRESSLY OBJECTS TO EACH OF THEM UNLESS SUCH ADDITIONAL OR DIFFERENT TERMS, CONDITIONS OR SPECIFICATIONS ARE EXPRESSLY ASSENTED TO IN A WRITING SIGNED BY BUYER'S AUTHORIZED REPRESENTATIVE.

This order constitutes the entire agreement between the parties. There are no other representations, understandings or agreements, express or implied between the Seller and Buyer. Waiver by either party shall not be considered a waiver by such party of any defaults on this order or any other order by the other party which may thereafter occur. This purchase order or monies payable hereunder may not be assigned in whole or in part without permission in a writing signed by Buyer's authorized representative. The individual remedies reserved in this purchase order shall be cumulative and additional to any other or further remedies provided at law or in equity.

The foregoing terms and conditions shall be construed in accordance with the law of the State of Illinois. The rights and obligations of the Buyer and Seller shall be governed by the law of the State of Illinois.