

Terms and Conditions

1. *Governing Terms and Acceptance.* SELLER'S commencement of work on any of the goods ordered or shipment of such goods, whichever occurs first, shall be deemed an effective mode of acceptance of BUYER'S offer to purchase contained in this Purchase Order. Any acceptance of this Purchase Order is limited to acceptance of the expressed terms of the offer contained on the face and back hereof. Any proposal for additional or different terms or any attempt by SELLER to vary in any degree any of the terms of this offer in SELLER'S acceptance is hereby objected to and rejected but such proposal shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price, or delivery schedule of the goods but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by SELLER without said additional or different terms. If this Purchase Order shall be deemed an acceptance of a prior offer by SELLER, such acceptance is limited to the expressed terms contained on the face and back hereof. Additional or different terms or any attempt by SELLER to vary in any degree any of the terms of this Purchase Order shall be deemed material and shall be rejected. However, this Purchase Order shall not operate as a rejection of SELLER'S offer unless it contains variances in the terms of the description, quantity, price, or delivery schedule of the goods. This Purchase Order together with any specifications, drawings or other documents referred to herein, which are incorporated by this reference, constitutes the entire offer by the BUYER for the purchase and sale of the items ordered and all prior negotiations, proposals, agreements, understandings and writings pertaining to this Purchase Order or the subject matter hereof are superceded hereby. Trade custom and/or trade usage is superceded by this Purchase Order and shall not be applicable in the interpretation of this Purchase Order. In the event of any ambiguities, express conflicts or discrepancies in the specifications, drawings or other documents or data which are a part of this Purchase Order, SELLER shall immediately submit the matter to BUYER for its determination and shall comply with the determination of BUYER in such matter. All headings and numbering in this Purchase Order are for convenience of reference only.

2. *Drawings, Material, Tools, and Samples.* All information and materials, including, but not limited to, tooling, drawings, blueprints, technical data, or the like furnished by BUYER or created hereunder for BUYER shall remain BUYER'S property, shall be used by SELLER only for work being done for BUYER, and shall be held in strict confidence. In the event that a sample is requested by BUYER in connection with this Purchase Order this Purchase Order shall not be filled by SELLER until BUYER has expressly approved the sample in writing. With respect to any property of BUYER which SELLER has in its possession for the purpose of this Purchase Order or otherwise, SELLER shall take every precaution to prevent loss, damage, destruction, theft, appropriation, or wrongful use or taking of such property, and SELLER shall carry insurance equivalent to the value of such property to protect BUYER against such loss or damage. BUYER may remove its property at any time, and SELLER shall cooperate in such removal.

3. *BUYER Owned or Furnished Material.* Where BUYER furnishes SELLER materials to be used by SELLER in connection with this Purchase Order, SELLER shall be responsible for inspecting and testing such materials to ensure that they are adequate for their intended use.

4. Dies, Jigs, Tools and Patterns. If the price to be paid includes the cost of special dies, jigs, tools and patterns used in the manufacture of articles ordered or scheduled hereunder, then such special dies, jigs, tools and patterns shall be the property of the BUYER. They shall be kept in good condition by the SELLER without expense to the BUYER, except that the actual cost of changes of design or specifications requested by the BUYER, shall be paid for by the BUYER. All designs, drawings, special dies, jigs, tools and patterns, and any other information or equipment supplied by the BUYER to the SELLER relating to, or for use in, the manufacture of the articles, or work ordered or scheduled hereunder shall be the sole property of the BUYER. By accepting this Purchase Order, the SELLER expressly agrees that it will not use any of them in production, manufacture, or design of any other articles or work for any other person, nor for the production or manufacture of larger quantities than those specified in BUYER'S orders or schedules without first obtaining the express consent and license in writing from the BUYER. At the expiration of this Purchase Order, all such drawings and all such special dies, jigs, tools and patterns shall be delivered to the BUYER, unless the BUYER shall otherwise direct. The BUYER shall approve invoices for such items after the first lot of articles produced from such special equipment has been received at the BUYER'S facility and has passed BUYER'S receiving inspection.

5. Delivery. TIME IS OF THE ESSENCE in this Purchase Order. If any shipment or delivery is made which is not in all respects in accord with the provisions of this Purchase Order (including quantity or time of delivery specified), BUYER reserves the right without liability to reject such delivery, and if BUYER so elects, BUYER may treat this Purchase Order as repudiated by SELLER and cancel any outstanding delivery hereunder, without prejudice to BUYER'S right to claim damages or to enforce any other remedy by law. All expenses of transportation and storage, if any, resulting therefrom shall be paid by SELLER. If a delivery date specified by SELLER is not satisfactory to BUYER, BUYER reserves the right to cancel the order or schedule at no cost to BUYER. BUYER'S count shall be accepted as conclusive on all shipments not accompanied by a packing slip. BUYER reserves the right to reject and return, at SELLER'S expense, early deliveries or excess or short shipments, or to defer payment for early deliveries until the specified delivery date. To the extent that the prices for goods or services ordered hereunder are not specified herein, the prices for same, unless otherwise agreed to by BUYER, shall be those applicable to BUYER'S last preceding Purchase Order for a comparable quantity or, if there is no such Purchase Order, SELLER'S last preceding quotation for same. SELLER shall forward to BUYER, with the invoice, the express receipt or bill of lading, signed by the carrier, evidencing the fact that shipment has been made.

6. Transportation. Unless otherwise stated: (a) all material shall be suitably packed, marked, and shipped in accordance with the requirements of common carriers in a manner to secure lowest transportation cost and no additional charge shall be made to BUYER therefor; (b) no charge shall be made by SELLER for drayage or storage; (c) SELLER shall properly mark each package with BUYER'S order number, factory, plant, and/or dock number, and where multiple packages comprise a single shipment each package shall also be consecutively numbered, (d) order numbers and package numbers shall be shown on packing slips, bills of lading, and invoices, and packing slips must accompany each shipment; (e) SELLER agrees to describe material on bill of lading or other shipping receipt and to route shipment in accordance with instructions issued by BUYER'S Traffic Department.

7. Payment. Payment of the net amount of invoice shall be subject to prior inspection and acceptance of goods or services by BUYER. The Purchase Order price includes all sales, excise or other taxes assessed against the goods or services by any governmental agency. Any discount period shall be calculated from the date acceptable invoices are received at the BUYER'S office or from the date of receipt of acceptable material whichever is later.

8. Inspection: Rejection of Goods. All goods furnished hereunder shall be subject to inspection at destination, notwithstanding any previous inspection, and SELLER shall be given notice of any defects, other than latent defects, within a reasonable time after receipt of the goods. BUYER may reject or require the prompt correction, in place or otherwise, of any goods which are defective in material, workmanship, design, or which otherwise fail to meet the requirements of this Purchase Order. BUYER may, in addition to any rights it may have by law, prepare for shipment and return the goods to SELLER, require the SELLER to remove them, or direct their correction in place, and the expense of any such action, including transportation, both ways, shall be borne by SELLER. If SELLER fails promptly to remove such goods or to proceed promptly to replace or correct them, BUYER may replace or correct such goods at the expense of SELLER, including any excess cost. Payment for any or all of the goods or services supplied hereunder shall not constitute acceptance by BUYER. Nothing in this paragraph shall, in any way limit BUYER'S rights under the paragraph hereof entitled "Warranty and Indemnity".

9. Patent Infringement. It is anticipated that the materials to which this Purchase Order relates will be possessed, used, and/or sold by BUYER and/or its customers. If, by reasons of any of these acts, a suit is brought or threatened for patent, copyright, or trademark infringement (except for infringement necessarily resulting from adherence to specifications or drawings originally submitted to SELLER by BUYER) arising out of the manufacture, use, or sale of the goods, SELLER shall, at its own expense, defend, indemnify, and hold BUYER and its customers harmless against all damages in connection therewith, including reasonable attorneys' fees.

10. Warranty and Indemnity. SELLER expressly warrants that all goods, material, and workmanship (including service(s) performed for BUYER) will conform with applicable drawings, specification, samples, or other descriptions furnished, adopted, or relied upon by BUYER, and that they shall be merchantable, of good workmanship and material, free from defects, and are fit for the uses intended. SELLER will in all cases indemnify and hold BUYER harmless against any and all claims, liabilities, costs, damages, or expenses (including reasonable attorneys' fees) of any kind caused by SELLER'S breach of the foregoing warranties or arising from the performance of service(s) for BUYER. The foregoing warranties are in addition to any warranty implied in fact or law and shall survive any inspection, test, or acceptance. SELLER shall insure its liabilities hereunder in amounts acceptable to BUYER and cause certificates of insurance evidencing coverage(s) in affect to be provided to BUYER. The aforesaid coverage(s) may not be cancelled or changed without thirty (30) days advance written notice to BUYER.

11. Assignment and Setoff. SELLER shall not delegate any duties, nor assign any rights or claims hereunder without BUYER'S prior written consent and any such attempted delegation or assignment shall be void provided, however, that in the event of a change in ownership of SELLER this Purchase Order shall be binding on any successor organization. All claims for moneys due or to become due from BUYER shall be subject to deduction by

BUYER for any setoff or counterclaim arising out of this or any other of BUYER'S Purchase Orders with SELLER, whether such setoff or counterclaim arose before or after the date hereof first written.

12. Changes. BUYER shall have the right to make, from time to time, changes as to packing, testing, specifications, designs, and delivery schedules. SELLER shall notify BUYER in writing within ten days of any increase or decrease in costs caused by such change, and any necessary adjustment in price or other terms hereof shall be made by a written amendment to this Purchase Order. Any adjustment must be acceptable to both parties or the item(s) in question may be deleted from the Purchase Order with respect to further deliveries.

13. Cancellation. BUYER may at any time terminate this order, in whole or in part, by written notice, whereupon SELLER shall terminate work pursuant to the terms of such notice. SELLER shall promptly advise BUYER of the quantities of applicable work and material on hand or purchased prior to termination and the most favorable disposition that SELLER can make thereof. SELLER shall comply with BUYER'S instructions regarding disposition of such work and material. All claims by SELLER based on such termination must be asserted in writing and in full within ten (10) days from the date of notification of the termination, or shall be waived. BUYER shall pay SELLER the Purchase Order net price of completed work and the cost to SELLER (excluding profit or losses) of work in process and raw material, less, however, (1) the agreed value of any items used or sold by SELLER with BUYER'S consent, and (2) the reasonable value or cost (whichever is higher) of any defective, damaged or destroyed work or material and any items sold or used by SELLER. BUYER will make no payments for finished work, work in process or raw material fabricated or procured by SELLER unnecessarily in advance or in excess of BUYER'S delivery requirements as specified in BUYER'S orders or schedules. The payment provided under this clause shall constitute BUYER'S only liability in the event this Purchase Order is terminated as provided herein. The foregoing provisions of this clause shall not apply to any termination by BUYER for default of SELLER or under the following:

A. To the extent this Purchase Order covers items normally carried in inventory by SELLER (as distinguished from items specially made to BUYER'S specifications), BUYER shall have no liability for any termination of this Purchase Order, in whole or in part, prior to actual shipment and for any termination, within ten (10) days after receipt by BUYER its liability shall be limited to returning said items and reimbursing SELLER for direct costs of handling and transportation.

B. In the event of any bankruptcy proceeding, by or against SELLER, or the appointment of a receiver for the benefit of SELLER'S creditors, BUYER may cancel any unfilled part of this Purchase Order without any liability whatsoever.

14. Governing Law. The Convention on International Sale of Goods shall not apply to this Purchase Order unless specifically stated on the face of this Purchase Order. The rights and obligations of BUYER and SELLER shall be governed by the laws of the State of Wisconsin, without giving affect to principles of conflicts of the law. Any lawsuit between BUYER and SELLER shall be filed exclusively in Rock County Circuit Court, in Janesville, Wisconsin or the United States District Court for the Western District of Wisconsin.

15. Title. Title to all goods produced hereunder shall pass to BUYER upon SELLER'S delivery to BUYER or to BUYER'S carrier at the F.O.B. point indicated.

16. Applicable Rules and Regulations. SELLER agrees to comply with all applicable federal and state laws, rules, and regulations applicable in any fashion whatsoever to this Purchase Order or SELLER'S performance hereunder. SELLER agrees to provide BUYER with any certificate affirming compliance with applicable laws that BUYER shall request, and SELLER further agrees to indemnify BUYER against and to hold it harmless from any loss or expense arising from SELLER'S noncompliance with any applicable law, rule, or regulation.

17. Fair Labor Standards. The materials, products and/or services covered by this Purchase Order will be used in the production of goods for shipment in interstate commerce and each invoice issued against this Purchase Order must bear certification of compliance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof.

18. Equal Opportunity/Affirmative Action. SELLER will comply with all provisions of Executive Order 11246 as amended, the provisions found in 41 CFR sec. 60-741.4 regarding handicapped persons, the regulations found in 41 CFR sec. 60-250.4 regarding disabled veterans and veterans of the Vietnam era, and all relevant rules, regulations, and orders of the U.S. Department of Labor.

19. Purchase Contract Release. If this Purchase Order is a release against BUYER'S Purchase Contract and in the event any terms and conditions are inconsistent with those contained in BUYER'S Purchase Contract between the parties, the terms and conditions of BUYER'S Purchase Contract shall govern.

20. Purchase Order Confidentiality. This Purchase Order is the confidential and proprietary information of BUYER and shall not be revealed in whole or in part to any third party without the express written consent of BUYER.

21. Endorsements. SELLER shall not use the name of BUYER or any of BUYER'S trademarks or trade names in any advertising, publicity, or promotional material without the express written consent of BUYER. This includes any photographs or representations of BUYER'S items.

22. Section 2-615 of the Uniform Commercial Code. In the event of a partial failure of SELLER'S sources of supply of the products or items purchased hereunder, SELLER will first meet all of BUYER'S requirements hereunder prior to any allocation among customers under Section 2-615 of the Uniform Commercial Code.

23. Severability. If any term of this Purchase Order is invalid or unenforceable under any statute, regulation, ordinance, executive order, or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this Purchase Order shall remain in full force and effect.

24. Price Warranty. SELLER warrants that the prices for the goods sold to BUYER hereunder are not less favorable than those currently extended to any other customer for the same or similar articles in similar quantities. In the event SELLER reduces its price for such articles during the term of this Purchase Order, SELLER agrees to reduce the prices hereof correspondingly. SELLER warrants that prices shown on this Purchase Order shall be complete, and no additional charges of any type shall be added without BUYER'S expressed

written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, and crating.

25. *Force Majeure*: Any failure of either party to perform its obligations hereunder shall be excused if, and to the extent that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, such as by way of example and not by way of limitation, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, wind, storms, explosions, riots, natural disasters, wars, sabotage, labor problems, (including lockouts, strikes and slowdowns), inability to obtain power, material, labor, equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party within ten (10) days of any such event or occurrence or shall be waived by the affected party.