

**SIMPSON TECHNOLOGIES CORPORATION
PURCHASE ORDER TERMS AND CONDITIONS**

1. **ACCEPTANCE OF PURCHASE ORDER:** This purchase order constitutes Buyer's offer to Seller and shall become a binding contract upon the terms and conditions set forth herein upon acceptance by Seller either by acknowledgement or commencement of performance. Reference to Seller's quotation does not constitute acceptance of any term or condition contained therein. Any terms and conditions proposed by Seller in accepting Buyer's offer inconsistent with or in addition to those set forth herein shall be void unless accepted by Buyer in writing. Acceptance of this purchase order is expressly limited on the terms hereof.

2. **EXEMPTION:** Buyer certifies that it is a manufacturer or producer of articles taxable under Chapter 32, Subchapter A, of the 1954 Internal Revenue Code as amended, as well as a manufacturer of other nontaxable articles and holds Certificate of Registry No. 275718 issued by the District Director of Internal Revenue at Chicago, IL, and that the item or items specified in this order will be by it as material in the further manufacture of said articles. For all the purposes of such Subchapter A, Buyer will be considered a manufacturer and (except as specifically provided by law) must pay tax on resale or use otherwise than as specified above, of the terms purchased hereunder.

3. **MODIFICATION/CHANGES:** This purchase order constitutes the entire agreement between Buyer and Seller, superseding all prior communications and/or agreements between the parties. All telephone orders must be confirmed by Buyer in writing. The purchase order may only be modified in writing signed by both parties. Buyer may, by written notice, change specifications or other terms contained on the obverse hereof, or suspend work on items ordered. Upon receipt of notice, Seller shall notify Buyer immediately of any increase or decrease in the cost or time of performance. Buyer may cancel this order with or without cause at any time. Buyer will not be liable for the purchase price or other costs or damages.

4. **PRICES.** (a) Net prices shall not exceed those appearing opposite each item hereon, and if Seller sells to any other comparable customer at lower net prices than offered herein, Seller agrees to immediately make such prices available to Buyer. (b) In the event that this purchase order is a blanket order and is subject to release(s) during the period specified hereon, then the parties hereto agree that the price(s) shown on this purchase order shall remain firm for all requirements (quantities) released pursuant to this purchase order for the duration of this purchase order as specified hereon, except that the parties may negotiate price changes or a lower price may be required pursuant to subparagraph (a) above in which event an amendment will be issued. (c) Shipments shall not be made at prices higher than specified. (d) No box, crating or transportation charges will be allowed. (e) Buyer shall not pay for goods exceeding the quantity ordered.

5. **INVOICES AND TERMS OF PAYMENT:** (a) Seller shall transmit all invoices in triplicate to Buyer's Accounts Payable Department at "Charge and Mail Invoice To" address appearing on face hereof and no other office referencing each invoice against Buyer's purchase order and part number and ("Ship To") address designated on the face hereof. Separate Invoices shall be supplied for each purchase order number. Discount periods shall date from delivery of material or form receipt of proper and correct invoices, whichever is later. Delay in receiving invoices or shipments, as well as errors or omissions in invoices or shipments, will be priced using the same price and unit of measure as set forth in the "Price Not to Exceed" column on the face hereof. Invoices must show taxes and transportation charges separately, if applicable. (c) Original Bill of Lading and/or Express Receipt must be attached to invoice and mailed to Buyer not later than the day following shipment (d) Invoices not received within the first twenty-five (25) days of the calendar month shall be entered as the following month's invoices.

6. **SPARE PARTS SUPPORT:** Seller agrees to fill Buyer's order for spare parts in price components and/or assemblies, and in reasonable quantities, at reasonable prices, commencing from the date of first delivery hereunder and continuing for a period of not less than five (5) years after the date of last delivery of any unit for which spare parts might be required. In the event Seller is no longer obligated to supply spare parts and desires to discontinue supplying the same. Seller agrees to offer to sell to Buyer at reasonable prices which will take into consideration original cost, depreciation, current condition, and all special tooling and fixtures owned by Seller which are required to produce such spare parts. If more specific provisions, inconsistent herewith, concerning spare parts and/or special tooling or fixtures are inserted by Buyer elsewhere in this order such specific provisions shall control. All material, including tools furnished or specifically paid for by Buyer, shall be the property of Buyer shall be subject to removal at any time without additional cost upon demand by Buyer, shall be used only in filling orders from Buyer, shall be kept separate from other materials or tools and shall be clearly identified as property of Buyer. Seller assumes all liability for loss or damage, with the exception of normal wear and tear, and agrees to supply detailed statements of inventory upon request of Buyer.

7. **WARRANTY:** Seller expressly warrants that items covered by the purchase order will be merchantable fit, and sufficient for the purpose intended, and will be of good material and workmanship and free from defects, and if ordered to Buyer's description, will conform to the design, specifications, drawings, blueprints, samples, or other technical description furnished or adopted by Buyer. The warranty shall run to buyer, its successors, assigns, dealers, agents, customers, and users of its products. Seller will save, indemnify and hold Buyer harmless against liability arising out of the violation of any U.S. or Foreign patent with respect to any good or services purchased by Buyer hereunder.

8. **INSPECTION:** (a) Seller Agrees all items shall be subject to inspection and test by Buyer at Seller's plant and/or the point of destination as Buyer may elect notwithstanding prior payment if any items are determined to be defective in material, workmanship, or design (if item is Seller's design and specification), or otherwise fail to meet the requirements of this purchase order. Buyer shall have the right to reject and return such defective items to Seller at Seller's expense. Seller paying transportation charges both ways, unless Seller shall direct Buyer to scrap or rework such items at destination or Buyer's plant. Seller shall promptly correct or replace such returned and/or scrapped items at Seller's expense; items shall not be replaced except on receipt of replacement purchase order from Buyer. If Seller shall fail to perform, Buyer may cancel this purchase order as to all such defective items, and in addition, may cancel the then remaining balance of this purchasing order. Buyer reserving in either or both cases of cancellation all other legal rights and remedies available to it because of such failure to perform. (b) If this order is for machinery, tools, or equipment, special or otherwise, (I) initial testing of such items will be at Seller's factory in the presence of Buyer's engineers. Seller will then supervise, at its expense, the installation and initial operation of such items at Buyer's plant. Such items will be accepted only after all necessary corrective adjustments relating to the mechanical operations capacity, or any other matter, have been made by Seller at its expense, an such items have been in satisfactory production use for a least thirty (30) days and Buyer will not be requested to make payment prior to such date. (II) Seller specifically warrants that for a reasonable period of time after being placed into regular production use, such items will when operating under Buyer's production conditions, perform for purposes intended to be performed by such items in a manner consistent with Buyer's production and quality requirement. (III) Approval by Buyer of constructive drawings and any other materials relating to design or construction of such items is merely advisory on Buyer's part and shall in no way relieve Seller of its warranties.

9. **DEFECTS AFTER ACCEPTANCE:** If any of the items which have been inspected, tested, and/or accepted by Buyer, fail to meet the warranty contained in Paragraph 7, Seller upon notice thereof from Buyer, shall promptly correct or replace the same at Seller's expense reimburse Buyer for incidental or consequential damages suffered by Buyer, whether direct or indirect from a purchaser of Buyer. If Seller shall fail to perform. Buyer may cancel this purchase order as to all such items, and in addition, may cancel the then remaining balance of this purchase order. Buyer reserving in either or

both cases of such cancellation all other legal rights and remedies available to it because of such failure to perform. After notice to Seller all such items will be held at Seller's risk. Buyer may return such items to Seller at Seller's risk and all transportation and related charges, both to and from the original destination shall be paid by Seller. Defective items returned to Seller and/or defective items scrapped by Buyer at Seller's direction shall be deducted from total shipments in determining the undelivered and uncanceled balance or any under the purchase order.

10. **TITLE:** Buyer shall at all times have title to all drawings and specifications furnished by Buyer to Seller and intended for use in connection with this purchase order. Seller shall use such drawings and specifications only in connection with this order, and shall not disclose such drawings and specifications to any person, firm or corporation other than Buyer's or Seller's employees, subcontractors or Government inspectors. The Seller shall upon Buyer's request or upon completion of the order, promptly return all drawings and specifications to Buyer.

11. **LATE DELIVERY:** If Seller's deliveries are so far behind a given schedule that Buyer finds it necessary to call upon Seller for express shipments, Seller will allow Buyer the difference between freight and express rates, and if Seller's deliveries are so far behind a given schedule that the Buyer is compelled to use material not according to Buyer's specification or at a higher cost, the Seller will pay whatever additional costs, expenses, losses or damages that Buyer sustains. The provisions of this paragraph, however, are not intended to limit any other rights the Buyer may have against the Seller as a matter of law.

12. **PUBLICITY:** Seller shall not advertise or publish or cause to be advertised or published the fact Seller has contracted to furnish Buyer items described herein unless Buyer's consent in writing has been obtained through the Director, Corporate Purchasing., Seller shall not disclose this agreement to any third party without Buyer's prior approval in writing unless so directed by court order.

13. **FAIR LABOR STANDARDS ACT:** Seller warrants and agrees as a condition of payment, to attach or stamp on each invoice issued pursuant to this purchase order the following statement: "We hereby certify that these goods, articles, or services were produced in compliance with all applicable requirements of Section 6, 7, and 12 of the Fair Labor Standards Act as amended, and all regulations and orders of United States Department of Labor issued under Section 14 thereof.

14. **NONDISCRIMINATION:** Seller warrants that it does not discriminate against any employee or applicant for employment and that it has taken affirmative action to assure that applicants are employed and that employees are treated without regard to race, creed color, sex, disability or national origin, including without limitation recruitment, employment, upgrading, demotion, transfer, lay-off, termination, compensation, and selection for training. Seller further agrees to post, in places conspicuous to employees and applicants, appropriate notices setting forth such provisions, and otherwise to comply with Executive Order No. 11246 and provisions of PL-93-508, PL-93-112, the rules and regulations of the Office of Federal Contract Compliance, the Civil Rights Act of 1964, as amended, and other similar Federal and State statutes.

15. **OTHER LAWS:** Seller warrants that items supplied hereunder, and its solicitation and sales procedures, comply with the Occupational Safety and Health Act, the Sherman Act, the Robinson Patman Act, and other relevant Federal and State laws.

16. **EMPLOYMENT OF THE HANDICAPPED:** Unless exempt, the Contractor agrees to the affirmative action clause for the employment of handicapped set forth in 41 CFR60-741 which is hereby incorporated by reference.

17. **EMPLOYMENT OF VETERANS:** Unless exempt, the Contractor agrees to the affirmative action clause for the employment of Veterans set forth in 41 CFR60-250 which is hereby incorporated by reference.

18. **WAIVER:** The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter nor shall the waiver by either party of a breach of any provision hereof constitute a waiver of any succeeding breach of the same or any other provision or as a waiver of the provision itself. The remedies herein reserved shall be cumulative and in addition to any other remedies provided by law or equity. Time is of the essence of this agreement.

19. **INTERPRETATION:** This purchase order shall be considered as executed in an shall be construed in accordance with the laws of the State of Illinois. For purposes of this purchase order, Seller is a "Merchant" within the meaning of that term under the Uniform Commercial Code.

20. **NECESSARY DATA AND EQUIPMENT:** Seller warrants that it has all blueprints, specifications or other data required to enable Seller to produce the items or perform the services specified herein. Seller warrants that it has or will procure without Buyer's assistance all facilities, machinery and equipment necessary for the performance of this purchase order.

21. **ASSIGNMENT AND SUBCONTRACT:** This purchase order, any payments due hereunder or any portion of work to be performed hereunder shall not be assigned or subcontracted to any other person without Buyer's prior written consent. Buyer shall promptly be furnished with two signed copies of any such assignment. Payment to an assignee of any such claim shall be subject to set off or recoupment for any present or future claim or claims which Buyer may have against Seller, except to the extent that any such claims may be expressly waived in writing by Buyer. Buyer reserves the right to make direct settlements and/or adjustments in price(s) with Seller, notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee.

22. **INDEMNITY:** Seller agrees to save, hold harmless and indemnify Buyer against any and all claims liability, losses, damage and expense (including but not limited to, incidental and consequential damages) for injuries, death or loss or damage to property arising out of the performance by Seller of this purchase order Seller may, at Buyer's option, be required to defend all such suits arising out of Seller's failure to properly perform hereunder.

23. **INSURANCE:** If this purchase order covers services to be performed by Seller on premises designated by Buyer, Seller agrees to provide Buyer with Certificates of Insurance evidencing insurance coverage of Worker's Compensation (Statutory and Employers' Liability (\$10,000,000 Limit), Public Liability (with minimum combined Single Limits of \$1,000,000 Limit), Public Liability (with defend, hold harmless an indemnify a Buyer from and against all losses, damages an expenses that arise from bodily injury(ies) including death(s) at any time resulting therefrom to any person, or from damage to any property caused in whole or in part by the acts or omissions of Seller, its agents, or servants arising out of such services as may be performed on premises designated by Buyer, Seller will comply with all applicable Federal or State Occupational Safety and Health Acts and Workers Compensation Laws and regulations and with all plant safety rules; Seller also agrees when work is to be done on premises designated by Buyer, to keep such premises free and clear of all Mechanic's Liens.

24. **NOTICE OF LABOR DISPUTE:** Should any potential or actual labor dispute delay or threaten to delay the timely performance of this purchaser order, Seller will immediately give notice to Buyer.