



PURCHASE ORDER TERMS & CONDITIONS

1. **FORMATION:** The parties intend that the terms of this order constitute the final, complete, exclusive and fully integrated terms of the contract. Any modification or waiver of the terms of this order, whether evidenced by language or conduct, shall be null and void unless they are evidenced in writing signed by an authorized agent of Buyer. By signing and returning a copy of the order or by accepting the offer electronically or by accepting or paying for the goods, Seller: (a) accepts Industrial Woodworking Corp.'s ("Buyer") offer; and (b) if the order is in legal effect an acceptance of an earlier offer by Seller, assents to all terms of the order, including these purchase order terms & conditions, that are additional to or different from the terms contained in Seller's offer. Any shipment hereunder indicates Seller's acceptance of this order and constitutes an agreement by Seller to supply the material called for at the prices and on the terms and conditions herein set forth.
2. **PRICES:** This order shall not be filled at prices higher than those indicated on the order. Unless otherwise agreed in writing, no additional charges for boxing, packing, crating or cartage will be honored unless specifically provided for in this order.
- 3 **SUBSTITUTION:** Seller shall not implement changes to the product or supply to Buyer product which is an alternatives to, substitution for or like product without prior express written approval of Buyer. Buyer shall have the right to inspect and reject any alternative, substitute or like articles before becoming liable or obligated in any manner for them.
4. **QUANTITIES:** Shipments must equal exact amounts ordered, unless otherwise agreed in writing. Materials shipped in excess of quantities ordered may be returned at Seller's expense. Unless Buyer agrees otherwise in writing, Seller shall deliver all of the goods in a single delivery and not in installments.
5. **CHANGES:** Buyer shall have the right, at any time, to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, or method of transportation. If any such changes cause an increase or decrease in the cost or time required for Seller's performance an equitable adjustment shall be agreed in writing between the parties.
6. **TERMINATION:** At any time prior to delivery Buyer may, at its option, terminate an order by written notice in whole or in part. Such notice shall obligate the Seller to immediately stop work on the order and take any actions necessary to mitigate the impact of such notice. Seller shall be paid a reasonable termination charge which reflects actual direct costs plus the percentage of work performed prior to notice of termination. Seller shall not be paid for any work performed after receipt of the notice of termination, nor any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.
7. **DELIVERY:** The date required indicates the date the goods are due to the Buyer's facility. This date of delivery and the quantities therein specified are the essence of this order and delivery must be completed within the time specified. Seller agrees to notify Buyer in advance of any delay in delivery. If delivery will not made on time and in the quantities specified, Buyer reserves the right to cancel and to purchase elsewhere and hold Seller accountable therefor.
8. **WARRANTY:** Seller expressly warrants that, unless otherwise agreed in writing: (a) all material and work covered by this order shall be free from defects in material and workmanship and of the quality, size, description and dimensions required; (b) the goods shall be new; (c) the goods and services shall conform to any samples, drawings, specifications, performance criteria standards or other requirements to which the order refers or that Buyer has otherwise specified or agreed to in writing; and (d) the goods, their manufacture, packaging, labeling, branding and sale and the services shall comply with all applicable federal, state, provincial and local laws, regulations, standards and orders. Such laws may include, but are not be limited to, labor laws, employment opportunity laws, environmental protection laws, and product safety laws. This express warranty shall not be deemed waived by reason of either or both the receipt of said articles or payment therefor by Buyer. In addition to the other terms in this Purchase Order, this Purchase Order expressly includes all implied warranties and all of the Buyer's remedies set forth in the Uniform Commercial Code.

9. INSPECTION AND REJECTION: All material furnished will be subject to inspection and approval before acceptance by Buyer after delivery. Buyer reserves the right to reject any material which does not fulfill the specifications of this order or time of delivery and (1) to return rejected material to Seller at Seller's risk and expense for full credit at the order price without prejudice to any right to damages, for such breach, or (2) to require Seller at Seller's expense to replace rejected material at the unit price of this order, or (3) to consider this order breached as to the rejected quantity and cancelled as to any unfilled portion of this order and to hold Seller fully liable for such breach and cancellation, or (4) if agreed in writing Buyer may rework as provided below.

10. REWORK ON DEFECTIVE PARTS: When Buyer's production schedule, in Buyer's judgment, requires Buyer to perform additional work or rework on defective or incorrect parts to make them usable to Buyer, Seller agrees that Buyer may perform such work at the expense of Seller, and that the performance of work on such parts by Buyer shall in no way invalidate any warranty of quality on the material.

11. VERIFICATION OF PURCHASED PRODUCT: The Buyer has the right to perform verification activities at the Seller's premises to insure that purchased product meets specified purchase requirements. The Buyer shall determine the intended verification arrangements and methods.

12. MODIFICATIONS: This contract contains the entire agreement between Buyer and Seller. No agreement or other understanding in any way modifying the conditions of this contract shall be binding upon Buyer unless made in writing and signed by an authorized representative of Buyer. Buyer shall not be bound by any terms or conditions on Seller's acknowledgement forms, invoices, or other communications of Seller, unless acceptance of such terms or conditions is expressly made by Buyer in writing in an instrument pertaining to such acceptance only. In no event shall an acknowledgment or receipt of any materials by Buyer be deemed to be an acceptance of any such terms or conditions. The foregoing provision cannot be waived except in a writing signed by authorized agent of Buyer. No waiver by either party of any default on the part of the other party shall be deemed a waiver of any subsequent default.

13. INTERPRETATION OF CONTRACT: Buyer and Seller agree that this order and the acceptance thereof shall be a contract made in the state of Michigan and governed by the laws thereof. If any provision of these Terms and Conditions shall be held to be illegal, invalid or unenforceable by a court or authority of competent jurisdiction, the validity, legality and enforceability of the remaining Terms and Conditions shall not in any way be affected or impaired thereby.

14. DISCLOSURES: All disclosures, designs, drawings, specifications, patterns or technical information furnished to Seller by Buyer are the sole property of Buyer and are submitted in confidence upon the understanding and agreement by Seller that they shall not be disclosed or furnished to any third party, shall not be used by Seller in whole or in part for any purpose not designated by Buyer, and shall be returned to Buyer immediately upon Buyer's request. Furthermore, Seller shall make no announcements concerning the fact that Seller has contracted to supply any materials or services for Buyer without the prior written permission of Buyer.

15. PAYMENTS: Payment and agreed upon cash discount periods shall commence, upon the date of receipt of purchase invoice or receipt of shipment, whichever is later.

16. INDEMNIFICATION AND INSURANCE: It shall be an express condition to this Purchase Order, which may not be waived by Seller, that acceptance of this order by Seller constitutes an agreement on Seller's part to indemnify and save Buyer harmless from and against all claims and liabilities (including expenses for court costs and attorney's fees) for injury to or death of persons and for damage to any property which may result, in whole or in part, from any negligent act or omission on the part of Seller, its agents, employees or representatives, or which may arise from the installation, operation or use of the articles furnished under this Purchase Order by Buyer, except to the extent that such injury or damage is due solely and directly to the negligence of Buyer. It is a further express condition of acceptance of this order that Seller purchase and maintain, throughout the period it furnishes articles hereunder, and for at least 5 years thereafter, comprehensive general liability insurance, including product liability coverage, in amounts sufficient to protect Buyer from such risks and claims.