

TERMS AND CONDITIONS OF PURCHASING

MCL Industries, Inc. 660 Corporate Way P.O. Box 950 Pulaski, WI 54162 866-822-4100 | www.mcl.bz

- OFFER. This purchase order constitutes an offer to buy goods or services according to the description and other
 terms set forth on its face and this reverse side (hereafter, the "Goods"). NO ADDITIONAL OR DIFFERENT TERMS
 OFFERED BY EITHER PARTY SHALL BE OR BECOME PART OF THIS ORDER, AND ANY SUCH TERMS ARE
 HEREBY REJECTED. This order shall not be modified without the express written approval of MCL Industries, Inc.
 and Seller.
- 2. <u>DELIVERY AND ACCEPTANCE</u>. Time of delivery is of the essence of this contract, MCL reserves the right to refuse any Goods and to cancel all or any part of the Goods not conforming to applicable specifications, drawings, samples or descriptions. Acceptance of any part of the order shall not bind MCL Industries, Inc. to accept future shipments, nor deprive it of the right to return Goods already accepted.
- 3. <u>PRICE</u>. MCL Industries, Inc. shall not be billed at prices higher than stated on the Purchase Order unless authorized in writing signed by an MCL Industries, Inc. purchasing agent. Seller represents that the price charged for the items or services covered by this order, is the lowest price charged by the Seller.
- 4. <u>RISK OF LOSS</u>. Delivery shall not be deemed to be complete until the Goods have been actually received and accepted by MCL Industries, Inc.
- <u>DEFECTS</u>. By accepting this order Seller acknowledges that the Goods covered by this order are satisfactory for the purposes of use as intended by MCL Industries, Inc. if disclosed, and that any defect in such Goods may result in special damage to MCL Industries, Inc.
 - A. <u>Inspection.</u> It is understood and agreed that the Goods shall be subject to MCL Industries, Inc. inspection on arrival, notwithstanding prior payment to obtain a cash discount.
 - B. Quality. Goods rejected on account of inferior quality or workmanship will be returned to Seller within 30 days of delivery. Seller shall be responsible for the costs for shipping the Goods both ways, plus any labor cost or expense incurred by MCL Industries, Inc. for all rejected Goods. Seller shall not replace rejected Goods except on receipt of written instruction from MCL Industries, Inc.
 - C. <u>Packing</u>. It is understood and agreed that MCL Industries, Inc. shall not be charged for boxing, crating, or packaging the Goods.
 - D. <u>Returns</u>. Goods returned to Seller as defective, including authorized returns and warranty returns shall be shipped FOB shipping point.
- 6. <u>CONFORMING GOODS</u>. Acceptance of all or any part of Goods shall not be deemed to be a waiver of MCL Industries, Inc. right either to cancel or to return all or any portion of the Goods because of failure to confirm to order or by reason of defects, latent or patent, or other breach of warranty, or to make any claim for damages, including manufacturing costs and loss of profits or other special damages. Such rights shall be in additions to any other remedies provided by law.
- 7. WARRANTY. Seller expressly warrants that the Goods are of merchantable quality and satisfactory and safe for consumer use. Acceptance of this order shall constitutes an agreement upon Seller's part to indemnify and hold MCL Industries, Inc. harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by MCL Industries, Inc. by reason of the failure to the Goods to conform to such warranties. Such indemnity shall be in addition to any other remedies provided by law and as to consequential damages shall be limited as provided in Section 2-715(2) of the Uniform Commercial Code.

8. PATENT INFRINGEMENT.

A. Indemnification. Seller agrees to indemnify MCL Industries, Inc. and hold it harmless from and against all liability, loss, damage and expense, including reasonable attorney fees, resulting from any actual or claimed trademark, patent or copyright infringement, or any litigation based there on, with respect to any part of the Goods covered by this order, and such obligation shall survive acceptance of the Goods and payment therefore by MCL Industries, Inc.

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- B. <u>Defense</u>. Seller undertakes and agrees to defend, at Seller's own expense all suits, actions or proceedings in which MCL Industries, Inc., any of MCL Industries, Inc. distribution or dealers, or the users of any MCL Industries, Inc. products, for actual or alleged infringement of any U.S. or foreign letters, patent resulting from the sue or sale of items purchased hereunder and further agrees to pay and discharge any and all judgments or decrees which may be returned in any such suit, action or proceeding.
- 9. <u>COMPLIANCE.</u> By acceptance of this offer, Seller warrants that all Goods covered by this order will be furnished in strict compliance with the (i) provisions of this order, including any written instruction from MCL Industries, Inc. and (ii) standards of all laws and governmental rules and regulations relating to such Goods.
- 10. <u>TIME IS OF THE ESSENCE.</u> Delays in shipment shall be reported immediately by the Seller to MCL Industries, Inc. Time is of the essence in this order, and if delivery of the Goods or rendering of services is not completed by the time promised, MCL Industries, Inc. reserves the right without liability, in addition to its other right and remedies, to terminate this contract by notice effective when received by Seller, as to stated items not yet shipped or services not yet rendered, and to purchase substitute items or services elsewhere. Any provisions herein for delivery of Goods or the rendering or services by installments shall not be construed as making the obligations of Seller severable.
- 11. <u>CONFIDENTIAL INFORMATION.</u> If any Goods supplied under this order are made according to MCL Industries, Inc. manufacturing information (design specifications, drawings and the like), or by means of any of MCL Industries, Inc. tools, dies, patterns or equipment, such tools, dies, patterns, equipment and manufacturing information, such information shall only be used to manufacture Goods to MCL Industries, Inc. order. Seller agrees to keep confidential all such manufacturing information and such tools, dies, patterns and equipment incorporating MCL Industries, Inc. manufacturing information without keeping any copies thereof.
- 12. TAXES. Any applicable State or Use or Federal Taxes shall be shown separately on the invoice.
- 13. <u>NONASSIGNABLE.</u> This order or the monies due there under may not be assigned in whole or in part without the written consent of both parties.
- 14. <u>RIGHTS.</u> MCL Industries, Inc. retains generally all rights and remedies granted to it by operation of law in addition to those set forth herein.
- 15. <u>CHOICE OF LAW</u>. This offer and contract based hereon and any questions with respect to construction and interpretation to perform it shall be governed by and determined in accordance with the laws of the State of Wisconsin.
- 16. <u>RIGHT OF ACCESS.</u> MCL Industries, Inc., and all Customers to MCL, are granted the right to access the premises of the seller or the seller subcontractors, upon reasonable notice, to verify the outsourced product or services
- 17. MSDS. By the acceptance of this purchase order, the vendor, contractor or manufacturer certifies and warrants to purchaser that any products or services described herein that introduce any hazardous materials as defined by Federal, State, Provincial or Local laws into any plant of purchaser or purchaser's customer are properly labeled, shipped in proper containers and are accompanied by MSDS (Material Safety Data Sheets) as required by law. Certain hazardous materials are prohibited entirely and may not be introduced in any form or fashion into our plant. These specifically prohibited materials are asbestos and asbestos containing materials (ACM) or polychlorinated biphenyl (PCB). The vendor, contractor or manufacturer certifies and warrants to purchaser that none of the products or services which are the subject of this purchase order contain any such prohibited materials.
- 18. The seller will comply with all provisions of Executive Order 11246 as amended, the provisions found in 41 C.F.R. sec. 60-741 (Disabled Persons), sec. 60-300 (Veterans), and 29 C.F.R. Part 471, Appendix A to Subpart A of Executive Order 13496, and all relevant rules, regulations, and orders of the Secretary of Labor.
- 19. <u>COUNTERFEIT MATERIALS</u> Each supplier will undertake reasonable due diligence with their supply chains to assure only genuine materials are purchased. If Supplier discovers fraudulent/counterfeit materials, they will take appropriate actions to remove from the supply chain and inform MCL of the issue. We expect each supplier to inform MCL if they are not an Authorized Distributor of any parts being supplied to MCL.

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