

## Purchase Order Terms, Conditions, and Quality Agreement

**PARTIES** - As used herein, Buyer shall mean HAAG-STREIT USA, INC. and Seller shall mean the vendor(s) providing materials or services pursuant to this purchase order.

**ACCEPTANCE** - Acceptance of this order shall be by Seller's written acceptance or acknowledgment, which shall constitute acceptance of the terms and conditions set forth herein, and any variance in Seller's acceptance or acknowledgement forms from the terms and conditions contained herein shall be inoperative unless accepted in writing by Buyer.

**QUALITY AGREEMENT** - Acceptance of this PO and its requirements is to be considered a Special Agreement in relation to Quality Assurance. The seller will meet or exceed all Quality related aspects set forth in this document, product drawings, purchase specifications, regulatory standards, and all other agreements applicable to HAAG-STREIT USA, INC. Records relating to the creation of the product/ service in this PO will be provided to Haag-Streit USA, inc. upon request.

**CHANGES** - Buyer shall not accept changes in terms, conditions, deliveries, prices, quality, quantity or specifications regardless of the wording of the Seller's acceptance or acknowledgement form; nor shall Buyer accept changes in materials, components, manufacturing processes or methods used in production covered by this order, nor shall Buyer be deemed to have waived the conditions of this paragraph without the written authorization of the Buyer-Purchasing Department, which writing must identify all the changes in the Seller's goods which are to be accepted by the Buyer.

**PAYMENTS** - Buyer's payments of invoices does not constitute acceptance of material or services furnished. COD shipments will not be accepted. If terms are not stated, Buyer will deduct 2% for Cash Net ten (10) days.

**RISK OF LOSS** - Seller agrees to bear the risk of loss on all goods until Buyer accepts delivery of goods. In the event Buyer rejects acceptance of goods, risk of loss shall remain with the Seller. In the event Buyer revokes acceptance of goods, risk of loss shall pass to the Seller from the date notice of such revocation is dispatched.

**DEFAULT AND TERMINATION** - Buyer reserves the right, by written notice, to cancel this order without liability to Buyer in the event of (i) insolvency of Seller, (ii) the filing of a voluntary Petition in Bankruptcy by Seller, (iii) the filing of an involuntary petition to have Seller declared bankrupt, (iv) the appointment of a Receiver or Trustee for Seller, or (v) the execution by Seller of an Assignment for the Benefit of Creditors. If Seller fails to perform or breaches any of the terms, including but not limited to the failure of the Seller to deliver goods or services as specified in this Purchase Order, or commits an anticipatory breach as to any of these matters, Buyer reserves the right, promptly following such failure of performance or breach, and without any liability to Buyer (i) to terminate this order in whole or part by written notice to Seller, or (ii) after notifying Seller of such failure or breach and of Buyer's intent to exercise such right, to obtain the goods from another source, with any costs of cover resulting therefrom chargeable to Seller, (iii) to exercise any and all other remedies permitted under the law. In the event of such termination Seller shall immediately return to the Buyer any and all deposit or down payment monies held by Seller on its account. Seller shall be liable for Buyer's damages in connection with such breach or failure to perform including consequential damages reasonable foreseeable by Seller or of which Seller was appraised by Buyer, including, but not limited to, lost profits on the resale of the goods or Buyer's products, of which the goods were to form a component part. Seller shall not be responsible for delays or defaults occasioned by fires, Acts of God, wars or riots, but in the event of such occurrence, Buyer reserves the right to terminate this order without liability of any kind.

**INSPECTION QUALITY** - All goods furnished must be of the best of its respective kind. All goods purchased will be subject to Buyer's inspection. Defective goods will be held for Seller's disposition at Seller's expense. Supplier Corrective Action Request (SCAR) may be issued depending on severity/ frequency of defects. SCAR must be completed and returned by supplier in the time frame set forth in the SCAR request.

**COMPLIANCE WITH LAWS** - The goods shipped by Seller under the provisions of this order to or on the order of Buyer are hereby guaranteed by Seller as of the date of such shipment (or delivery) to be, on such date, not adulterated or misbranded with the meaning of the Federal Food, Drug and Cosmetic Act, and (where appropriate) that on such date, the article shipped (or delivered) complies with all the requirements and regulations under the Radiation Control for Health and Safety Act. This purchase Order shall be subject to, and in the performance thereof Seller, by acceptance of this order, agrees to comply with, the Walsh-Healey Public Contracts Act of June 30, 1936: and amended, the Fair Labor Standards Act of 1938, as amended (certificate to be furnished on request). All goods and services furnished shall conform to the requirements of the law of the federal government and of the state where the service is performed to all applicable local and municipal laws and ordinance and to all applicable regulations of any public authority. The Seller, in the performance of all acts required by this order, shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin.

**WARRANTY** - Seller warrants that, (i) services rendered will be performed in workmanlike manner and (ii) all goods furnished hereunder, unless otherwise specified, will be new, of first class materials and designs, merchantable quality, free from defects in material or workmanship, conforming to the specifications, samples or drawings, if any, approved in writing or furnished by Buyer, and (iii) suitable for the particular purpose Buyer intends to use said goods and Buyer may assume Seller knows the use intended unless Seller notifies Buyer in writing to the contrary prior to commencement of the manufacture or shipment of goods. All said warranties to be without limitation or exclusion of any other warranty, statement, or disclaimer, expressed or implied.

**HOLD HARMLESS** - In consideration of Buyer's purchase of goods and/or services included in this order; the Seller agrees to hold Buyer harmless for all personal injury and property damage claims arising from the use of the goods and/or services provided to Seller pursuant to this order.

**PATENTS** - In consideration of Buyer's purchase of goods included in this order, the Seller undertakes and agrees to defend at Seller's own expense all suits, actions or proceedings brought against Buyer, any of the Buyer's dealers, or the users of any of the Buyer's products, for actual or alleged infringement of any United States or foreign letters patent because or on account of the employment or sale of such goods, and further agrees to pay and discharge any and all judgements or decrees which may be rendered in any such suit, action or proceeding against the defendants therein.

**BUYER'S PROPERTY** - All drawings, designs, specifications and other information, and all materials, including tools, special dies and patterns, raw materials or component parts furnished or paid for by Buyer shall be the property of Buyer; shall be subject to removal at any time without any additional cost, upon demand by Buyer; shall be used only in filling order from Buyer, shall be kept separate from other drawings, specifications and materials; and shall be identified as the property of Buyer. Seller assumes all risk and liability for loss or damage thereto, except for normal wear, and agrees to supply detailed statements of inventory upon request of Buyer. Upon completion of this order or upon default and termination as described in Paragraph 5, Seller shall return to Buyer, upon request, all of Buyer's property described above.

**CONFIDENTIALITY** - All proprietary designs, drawings, and other information supplied by Buyer to Seller relating to, or for use in, the manufacture or supply of any goods ordered herein are agreed to be the sole property of Buyer. Seller agrees that it will not reproduce, copy, or use any of them in the manufacture or design of any goods for any other purchaser or disclose the contents or nature of same without first obtaining consent, in writing, of the Buyer.

**GOVERNMENT CONTRACTS** - When the goods and services supplied hereunder are to be used in the Buyer's performance of a Government Contract or subcontract hereunder, additional and supplementary terms and conditions set forth in Appendix A shall apply whether or not Appendix A is attached hereto. (Buyer will furnish copies upon request).

**SUBCONTRACTING BY SELLER** - Seller shall not subcontract for goods and services called for by this order without the prior written consent of the Buyer.

**PROGRESS REPORTS** - Buyer may require and Seller shall furnish timely reports with respect to Seller's progress on this order.

**CANCELLATION** - In the event that Buyer, in its reasonable discretion, determines that changes in its business conditions, plans, and/or prospects make advisable such action, Buyer may cancel this order in whole or in part as to any goods to be furnished hereunder that have not already been accepted by Buyer immediately upon Buyer's providing notice of such cancellation to Seller, and Buyer shall have no liability to Seller hereunder, under any related agreement between Buyer and Seller, at law or in equity with respect to any cancellation.

**STATUTORY AND REGULATORY CONFORMITY** - The supplier's product or service shall meet all statutory and regulatory requirements for the locations where it is manufactured and used. The Supplier shall promptly notify HAAG-STREIT USA, INC. of the performance and results of any inspections, audits, formal visits, etc. of any regulator, notified body, or other certification body acting in a formal capacity. The Supplier shall promptly notify HAAG-STREIT USA, INC. of any inspection or audit findings that impact the safety, effectiveness, conformity, availability, or quality of any product that the Supplier provides to HAAG-STREIT USA, INC.. These requirements shall be properly documented and records maintained.