

# DeZURIK, INC.

## Purchase Order General Terms and Conditions

1. **Acceptance and Governing Provisions.** This Purchase Order (hereinafter called the "Order") shall constitute an offer by DeZURIK, Inc. (hereinafter called the "Buyer") to the supplier to whom it is addressed (hereinafter called the "Seller"). Acceptance by Seller is expressly limited to the terms and conditions hereof and is evidenced by commencement of performance. Upon acceptance, this Order shall constitute the entire agreement between the parties, superseding any and all previous communications and negotiations. No term or provision of any quotation, acknowledgement, invoice or other form supplied by Seller shall be deemed applicable hereto unless expressly accepted by Buyer in writing.

2. **Documents and Payment.** Buyer's Purchase Order Number must be shown on all packing lists, containers, invoices, and correspondence relating to the Order. Required documents listed on the Order shall be sent to the Buyer's address listed on the Order promptly after shipment is made. No drafts will be accepted by Buyer; all purchases are on open account to be paid by method listed on the Order.

3. **Non-Discrimination.** Seller shall comply (unless exempt) with all of the requirements of Executive Order 11246, as amended; 41 CFR Section 60-250.4, as amended; and 41 CFR Section 60-741.4, as amended. Seller guarantees that it does not have any segregated facilities and that it will file EEO-1 reports as requested and maintain a current Affirmative Action Plan.

4. **Compliance with Laws.** Seller shall comply with all applicable Federal, State and Local laws, rules and regulations. Without limiting the generality of the foregoing, Seller, in accepting this Order, represents that goods to be furnished or services to be rendered on the Order will be produced or performed in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and all valid and applicable regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof. This Order shall be governed in all respects by the laws of the state in which this Order originates.

5. **Occupational Safety and Health Act of 1970.** With respect to the goods or services to be supplied, supplier agrees to comply with the provisions of this Act and the standards and regulations issued thereunder or any other federal, state or local law or regulation of the same or similar nature, and certifies that all items furnished under this Order will conform to and comply with said Act, standards and regulations, or other laws or regulations. Supplier further agrees to indemnify and hold harmless Buyer for all damages, losses, costs and expenses suffered by Buyer as a result of Supplier's failure to comply with such agreement and for the failure of the items furnished under this Order to so comply.

6. **Patents, Trademarks and Copyrights.** Except for goods ordered in accordance with Buyer's design, Seller warrants that the sale or use of goods furnished on the Order will not infringe or contribute to infringement of any patent, copyright, or trademark in the United States or elsewhere, and shall indemnify Buyer, its successors and assigns and its customers (whether direct or indirect), against any and all losses, damages and expenses (including attorneys' fees and other costs of defending any infringement action) which they, or any of them, may sustain or incur as the result of a breach of this warranty.

7. **Taxes.** Buyer shall not be liable for any taxes, duties, customs, or assessments in connection with the purchase and/or delivery of goods on the Order except such as expressly set forth on the Order.

8. **Delivery, Delay and Anticipation.** Seller shall deliver the items, in the quantities and within the time or times, in accordance with the specifications (as well as the sample approved by Buyer, if any), and at the prices specified on the Order. Failure of Seller to comply with such requirements shall entitle Buyer, in addition to any other rights or remedies, to cancel this Order and be relieved of all liability for any undelivered portion. Seller shall not, however, be liable to Buyer for any loss or damage to Buyer on account of any delay due to a cause beyond Seller's control and not attributable to any fault or negligence on Seller's part; provided, that Seller shall, as soon as it appears that any such delay is probable, give Buyer written notice of such delay, the cause and probable duration thereof. Seller shall not unreasonably anticipate delivery by purchasing material or manufacturing quantities in excess of what is reasonably required to meet Buyer's delivery schedule. Items received in advance of Buyer's delivery schedule may, at Buyer's option, be returned at Seller's expense or be accepted and payment withheld until the scheduled delivery date.

9. **Shipping and Packing.** All items shall be suitably packed, marked and shipped in accordance with shipping instructions specified on the Order and otherwise in accordance with the requirements of common carriers so as to obtain the lowest transportation cost. Buyer shall have the right to reroute all shipments. No charge shall be made to Buyer for packing, boxing, or cartage unless separately itemized on the Order; but Seller shall be liable to Buyer for any loss or damage resulting from Seller's failure to act so as to provide adequate protection during shipment. Additional expenses, charges or claims incurred as a result of deviation from the specified route, non-compliance with other shipping instructions, or improper description of the shipment in shipping documents shall be Seller's responsibility. Buyer and Seller shall assist each other in procuring all documents and other information required to ship items on the Order or necessary for the prosecution of claims against carriers arising out of any such shipment.

10. **Inspection.** All goods purchased on the Order shall be subject to inspection and testing by Buyer (or a governmental agency when goods are being procured under a Governmental contract) at any reasonable time and from time to time before during or after manufacture and delivery.

11. **Warranties.** Seller warrants;

- a) That all goods and work covered by this Order will conform to the specifications, drawings, samples, or other descriptions furnished or specified by Buyer or Seller's samples and will be merchantable, or good quality and workmanship, free from defects in material, design and workmanship, and fit for the purpose intended;

b) That such warranties shall apply to Buyer and customers of the Buyer;

c) That the prices charged herein are in accordance with any applicable laws and regulations and are as low as any net price now given by the Seller to any other customer for like material and quantity, and agrees that if at any time during the pendency of this Order, lower prices are quoted to anyone for similar materials, such lower net prices shall be from that time substituted for the prices contained herein;

d) Seller agrees that these warranties shall survive acceptance of the items. Said warranties shall be in addition to any warranties of additional scope given to Buyer by Seller, or provided by law or equity;

e) Seller agrees to indemnify and hold Buyer, Buyer's customers, and anyone claiming through Buyer, or Buyer's customers harmless against any and all liabilities whatsoever incurred by Buyer, Buyer's customers, and anyone claiming through Buyer as a result of a breach of such warranties.

The foregoing warranties shall survive inspection, delivery and payment.

If any such goods shall be found to be unsatisfactory, defective or inferior in quality or workmanship, or not to conform to Buyer's specifications or any other requirements hereof (including Seller's warranties), Buyer may, as its option, retain such goods at an adjusted price or for correction by Seller, or return them to Seller for repair, replacement, credit of refund, as Buyer shall direct. Buyer shall be reimbursed by Seller for all of its costs and expenses in connection with the storage, handling packing and/or transporting or any such defective or otherwise nonconforming goods; and Seller shall assume all risk of loss or damage in transit to goods returned by Buyer pursuant hereto.

12. **Special Designs, and Equipment.** Unless otherwise stated on the Order, Buyer shall have no obligation to furnish or pay for any design work, drawings, tools or other equipment required for the performance of this Order; provided, that Buyer may, at its option, purchase any such items especially required by Seller for this Order at the current value thereof on Seller's books for income tax purposes and any item so purchased shall be deemed furnished by Buyer hereunder. Any design, drawing, tool or other equipment or materials or parts heretofore or include in the aggregate price of this Order, whether or not separately itemized hereon, shall be in processing or manufacturing goods for others than Buyer without Buyer's written permission and, while in the possession of Seller, shall be Seller's responsibility and shall be adequately insured at Seller's expense for the benefit of Buyer against loss or damage by fire or other hazard. No change shall be made in any design, drawing, tool or other equipment furnished by Buyer without Buyer's express written consent.

13. **Required Testing of Molds, Dies, etc.** Before proceeding with production runs using molds, dies, templates or other similar special tooling made, acquired or rebuilt especially for producing parts for Buyer, Seller shall submit to Buyer a sample part made with such tooling (including at least one sample from each cavity of form of a multi-part mold or die) together with Seller's written layout report and drawing of the part indicating that dimensional conformity of the sample to the drawing has been checked and noting the extent of any deviation from the drawing.

14. **Changes.** Buyer shall have right to make changes in this Order. If any such change affects delivery or amount to be paid by Buyer. Seller shall notify Buyer immediately. Any claim for adjustment shall be submitted within thirty (30) days from date of receipt by Seller of notification of change. No additional changes will be allowed unless authorized by Buyer in writing. Any changes in this Order shall be authorized only by a Purchase Order change notice.

15. **Termination.** Buyer may by written notice to Seller

a) Terminate the whole or any part of this contract in any one of the following circumstances: (1) if Seller fails to perform within the time specified herein or any authorized extension thereof; (2) if Seller fails to perform any of the other provisions of this contract or so fails to make progress as to endanger performance of this contract in accordance with its terms, and if either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure, and upon such termination Buyer may procure, upon such terms as it shall deem appropriate, supplies or services similar to those terminated, in which case Seller shall continue performance of this Order to the extent not terminated and shall be liable to Buyer for any excess costs for such supplies or services; and

b) At any time terminate this Order in whole or in part for convenience. Buyer shall not by reason of termination be liable to Seller for any compensation, reimbursement or damages, including in particular but not limited to any special, incidental, or consequential damages, either on account of present or prospective profit on sales or anticipated sales, or on account of expenditures, investments, or commitments.

16. **Assignment.** Assignment of this Order or any interest therein or any payment due or to become due thereunder, without prior written agreement by the Buyer, shall be void.

17. **Information Disclosed to Purchaser.** Any information or knowledge which Seller may have disclosed or may hereafter disclose to Buyer in connection with the purchase of goods or services covered by this Order shall not be deemed confidential or proprietary. No employee of Buyer has authority to make any agreement, express or implied, limiting use of, publication of, or providing for confidential treatment of information, equipment, or suggestions unless agreement is made in writing and signed by an officer of Buyer.