



Terms and Conditions

NO ADDITIONAL TERMS IN ACCEPTANCE:

The purchase order ("Order") is for the purchase of goods identified within the Order. The Order expressly limits acceptance to the Terms and Conditions appearing hereon. Seller's acknowledgement of the Order, verbal acceptance of the Order, commencement of work on the Goods that are subject to the Order or shipment of such Goods, whichever occurs first, shall be deemed acceptance of the Order, including all the terms and conditions hereof.

ANY ACCEPTANCE OF THIS ORDER IS LIMITED TO ACCEPTANCE OF THE EXPRESS TERMS AND CONDITIONS CONTAINED HEREIN. ANY PROPOSAL FOR ADDITIONAL OR DIFFERENT TERMS OR ANY ATTEMPT BY SELLER TO VARY IN ANY DEGREE ANY OF THE TERMS OF THIS ORDER IN SELLER'S ACCEPTANCE OR OTHERWISE IS HEREBY OBJECTED TO AND REJECTED. IF SUCH VARIANCES ARE IN THE DESCRIPTION, QUANTITY, PRICE OR DELIVERY SCHEDULE OF THE GOODS BEING PURCHASED HEREUNDER, THEN SUCH VARIANCES SHALL OPERATE AS A REJECTION OF THIS ORDER. ANY OTHER SUCH VARIANCES BY SELLER SHALL NOT OPERATE AS A REJECTION OF THIS ORDER BUT SHALL BE DEEMED A MATERIAL ALTERATION THEREOF, AND THIS ORDER SHALL BE DEEMED ACCEPTED BY SELLER WITHOUT SUCH ADDITIONAL OR DIFFERENT TERMS.

IF THIS ORDER SHALL BE DEEMED AN ACCEPTANCE OF A PRIOR OFFER BY SELLER, SUCH ACCEPTANCE IS LIMITED TO THE EXPRESS TERMS CONTAINED HEREIN. ADDITIONAL OR DIFFERENT TERMS OR ANY ATTEMPT BY SELLER TO VARY IN ANY DEGREE ANY OF THE TERMS OF THIS ORDER SHALL BE DEEMED MATERIAL AND ARE HEREBY OBJECTED TO AND REJECTED. ANY VARIANCES FROM THE DESCRIPTION, QUANTITY, PRICE OR DELIVERY SCHEDULE OF THE GOODS BEING PURCHASED HEREUNDER FROM THOSE SET FORTH IN THIS ORDER SHALL OPERATE AS A REJECTION OF SELLER'S OFFER. ANY OTHER SUCH VARIANCES SHALL NOT OPERATE AS A REJECTION OF SELLER'S OFFER.

PRICE:

The price and quantity shall be no greater than as stated in the Order without the prior written approval of Buyer. Seller represents and warrants that the price does not exceed the price charged to others for the same quantity of the same products.

NO EXTRAS:

No charge for any extras, including but not limited to, shipping, packing, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating, will be allowed unless specifically authorized in advance in writing by Buyer. Any such charges so allowed must be separately shown on Seller's invoice.

SHIPMENT AND DELIVERY:

TIME IS OF THE ESSENCE OF THIS ORDER. The Goods shall be delivered in a single lot and not in separate lots or installments unless otherwise agreed upon in writing between Buyer and Seller, in which event each installment is dependent on every other installment and a delivery of non-conforming Goods or a default of any nature under any installment will constitute a breach of this Order. If a tender of conforming Goods is not made by the scheduled delivery date, Buyer shall have no obligation to accept and Seller shall have no right to make a later conforming tender. If delivery of Goods is not completed by the time promised, Buyer reserves the right,

without liability and in addition to its other rights and remedies, to treat the same as a breach of this Order.

Seller shall be responsible for safe packing such that the Goods are suitably packed and prepared for shipment to secure lowest transportation rates and comply with carrier regulations. Seller is to ship by the least expensive method unless Buyer otherwise requests in writing. Buyer reserves the right to charge Seller for any excess charges resulting from failure to ship by the least expensive method.

Seller shall promptly notify Buyer in writing of any anticipated delay in the scheduled delivery date and Seller's inability to deliver the quantities of conforming Goods specified in this Order. Upon receipt of such notice from Seller, in addition to any other rights and remedies to which Buyer may be entitled, Buyer may, at its option, treat the same as a breach of this Order.

MODIFICATION AND WAIVER:

Seller may not modify nor rescind any term or condition of this Order except by a writing signed by both Buyer and Seller. Failure of Buyer to object to any terms which now or in the future appear in any document or form of Seller shall not be construed as a waiver of the provisions of this Order nor an acceptance of any such term. Buyer's failure or delay in insisting on strict performance of any of the terms or conditions of this Order or in exercising any right, power or privilege hereunder, at any time, shall not operate as a waiver of the same, nor shall Buyer's waiver of any breach hereunder constitute a waiver of any other terms, conditions or privileges, whether of the same or similar type.

INSPECTION AND ACCEPTANCE:

Buyer shall have the right and be given an opportunity to inspect and test the Goods at any time during the manufacturing process, immediately prior to shipment, after delivery of the Goods and notwithstanding prior payment. If inspection or use of the Goods discloses that the Goods are not in accordance with specifications and/or warranties contained herein, Buyer shall, in addition to any other rights it may have in law or equity, have the right to reject and/or revoke acceptance, and return any Goods for full credit or cash refund, at its option, and shall have the right to cancel any remaining unshipped portion of this Order without obligation. Goods rejected as nonconforming shall be returned at Seller's expense, including transportation and handling. The foregoing shall apply to whenever inspection may reasonably be made. Expenses of inspection and testing shall be borne by Buyer but may be recovered from Seller if the Goods do not conform and they are rejected or their acceptance is revoked.

TITLE AND RISK OF LOSS:

Notwithstanding any reference to shipping terms in this Order, title to Goods purchased hereunder and risk of loss or damage shall remain with Seller and shall pass to Buyer only when Goods purchased hereunder that conform with the terms and conditions hereof are received by Buyer at the location specified by Buyer and accepted by Buyer. Payment for the Goods delivered hereunder shall not constitute acceptance thereof.

WARRANTY:

Seller warrants to Buyer that the title to the Goods conveyed shall be good and their transfer rightful; the Goods shall be free from any security interest or other lien or encumbrance; the Goods shall not infringe or violate any patent, copyright, trademark or other rights or claims of any third parties; the Goods shall be merchantable; the Goods shall be fit for the particular purpose that Buyer has specified to Seller; and the Goods shall conform to the plans, specifications, drawings, samples, models, or any other description specified or referred to in this Order. These warranties may not be excluded, modified or disclaimed without the prior written consent of Buyer. All warranties shall survive any inspection, delivery, acceptance, approval, test or payment by Buyer.

INDEMNIFICATION:

Seller agrees to indemnify and hold harmless and to defend Buyer from and against any claim or action commenced against Buyer for personal injury, property damage, claims of infringement and commercial loss arising out of, or resulting in whole or in part in any way from or in connection with the sale or use of the Goods or the design, manufacture, material or workmanship applied to or used in the manufacture, delivery or installation of the Goods. Seller also agrees to indemnify and hold harmless and to defend Buyer and its customers from and against any and all damages, costs, claims, suits, judgments, liabilities and expenses (including attorneys' fees) arising out of or resulting in whole or in part in any way from or in connection with any actual or alleged personal injury, damage or destruction to property and/or any other damage or loss sustained or alleged to have been sustained by reason of (a) any act or omission of Seller, its directors, officers, agents, employees or subcontractors, provided that such injury, death, damage or destruction is not caused solely by the negligence of Buyer or its directors, officers, agents, employees or subcontractors, (b) any actual or alleged defect, whether latent or patent, in the Goods, including improper design or construction of such Goods or (c) any failure of the Goods purchased hereunder to comply with any warranty or specifications of Seller. This indemnification shall be in addition to the warranty obligations of Seller. Buyer specifically reserves the right to hire its own counsel in any matter at its own cost and expense.

BUYER'S DRAWINGS AND SPECIFICATIONS:

All drawings, data, designs, models, inventions, and other technical information supplied by Buyer shall remain Buyer's property and shall be held in confidence by Seller. Such information shall not be reproduced, used, or disclosed to others by Seller without Buyer's prior written consent and shall be returned to Buyer upon completion by Seller of its obligations under this Order or upon request by Buyer.

DELEGATION OF PERFORMANCE:

Seller may not assign, delegate or subcontract any part of this Order to any person without the prior written consent of Buyer. No assignment, delegation or subcontract shall relieve Seller of any duty to perform or any liability for breach.

TOOLS:

Any and all molds, tools, dies, jigs, fixtures, etc. ordered hereon or delivered by or for Buyer to Seller shall become and remain the sole property of Buyer. Should such items be loaned by Buyer to Seller for the manufacture of Goods herein specified, they are to be used by Seller exclusively in the manufacture of such Goods, and shall be maintained to a standard such that they are fit for use at any time. Seller

furthermore agrees to deliver forthwith to Buyer on request such items on loan without any cost thereto.

MATERIALS:

All materials delivered by Buyer to Seller for processing will be used solely for such purposes, and Seller will not substitute with any like material. By accepting this Order, Seller agrees and certifies that no change will be instituted in parts or services listed hereon without the Seller first having obtained written authorization for such changes from Buyer.

COMPLIANCE WITH LAWS:

Seller's acceptance of this Order shall constitute a covenant and warranty that, and Seller represents, warrants and covenants that, the Goods have been and will be manufactured and sold in compliance with all relevant federal, state or local laws and regulations now in effect or hereafter enacted or issued. Seller agrees to indemnify and hold Buyer harmless from, and to defend Buyer from and against any claim or action and all damages, costs, suits, judgments, liabilities and expenses (including attorneys' fees) arising out of or resulting in whole or in part in any way from any failure of Seller to comply with the previous sentence.

REMEDIES:

Seller's failure to comply with all the terms and conditions of this Order or Seller's breach of any term or condition hereof shall constitute a default hereunder, whereupon Buyer may exercise any one or more of the remedies available to it as a buyer under the Uniform Commercial Code or otherwise at law or in equity. All rights and remedies of Buyer hereunder shall be cumulative and may be exercised singly or concurrently.

Buyer shall have the right to reject any or all of the Goods that are in Buyer's judgment defective or nonconforming. Goods rejected and Goods supplied in excess of quantities called for herein may, at Buyer's option, be corrected or replaced by Seller or be returned to Seller at Seller's expense for a full refund or credit. If Buyer elects to have Seller correct or replace rejected Goods and if Seller fails to do so promptly, then Buyer, after reasonable notice to Seller, may make such corrections or replace such Goods and charge Seller for the cost incurred by Buyer in doing so. Nothing contained in this Order shall in any way relieve the Seller from the obligations of testing, inspection and quality control. In respect of any Goods rightfully rejected by Buyer, there shall be charged to Seller all expenses incurred by Buyer in unpacking, examining, repacking, reshipping and/or storing such Goods.

All claims for money due or to become due to Seller or its affiliates from Buyer shall be subject to deduction or setoff by Buyer by reason of any counterclaim arising out of this or any other transaction with Seller or its affiliates.

CHANGES AND CANCELLATION:

Buyer shall have the right at any time to make changes in packing, testing, destinations, specifications and designs by change order. Seller shall promptly make such changes. If any such change causes an increase or decrease in the cost of Seller's performance or in the time required for performance, Seller shall within 5 business days of Seller's receipt of such change order provide written notice to Buyer of the same and an equitable adjustment in prices or other terms hereof shall

be agreed upon in a written amendment to this Order. Buyer reserves the right to defer the time and rate of delivery of the Goods.

Buyer may cancel this Order without cause at any time in whole or in part by written notice and in that event Buyer will reimburse Seller for Seller's reasonable and necessary expenses incurred directly incident to this Order up to the date of Seller's receipt the written notice, but Buyer shall not be liable for any loss of profits or other consequential damages with respect to this Order or the portion thereof so cancelled. If Buyer cancels this Order or any part hereof in the event of (a) Seller's failure to comply with any of the terms and conditions of this Order, (b) the insolvency, voluntary or involuntary bankruptcy of Seller, appointment (with or without Seller's consent) of an assignee for the benefit of creditors or of a receiver or Seller's inability to pay its debts as they become due or (c) a merger of Seller with a third party or parties, then Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the event that gave rise to the termination.

APPLICABLE LAW; SURVIVAL; AMENDMENT; SEVERABILITY:

The rights and duties of Buyer and Seller under this Order shall be governed by the laws of the State of Indiana. The terms and conditions of this Order relating to warranty and indemnification and all obligations accrued up to the effective date of the expiration or termination of this Order shall survive any termination hereof and any performance hereunder. No amendment or modification of this Order shall be effective unless it is in writing and signed by a duly authorized representative of Buyer. No finding that a part of this Order is invalid or unenforceable shall affect the validity of any other part hereof and the remainder of this Order will remain in full force and effect.

GOVERNMENT CONTRACTS:

If it is indicated on the face hereof, or if Seller is otherwise informed that this Order is placed directly or indirectly under a contract with the United States Government, or any state or other municipal governmental authority, then all terms and conditions required by law, regulation, or by such government contract are incorporated herein by reference. To the extent that the Terms and Conditions of this Order are inconsistent with any such required terms and conditions, then the required terms and conditions shall prevail and be binding on both Buyer and Seller. Seller agrees upon request to furnish Buyer with a certificate or certificates in such form as Buyer may request, certifying that Seller is in compliance with all such required terms and conditions, as well as any other applicable law or regulation. Upon request, Buyer will make available to Seller copies of all pertinent terms and conditions required by such Government contract.

INVOICES:

Seller will, no earlier than the date of shipment of the Goods to Buyer, render all invoices to Buyer at the address shown on the face of this Order and render separate invoices for each order. Terms of payment are set forth on the face of this Order and, if Seller's invoice is inconsistent with such terms, Seller acknowledges that the terms of this Order shall apply. Disputed invoices will be paid upon satisfactory adjustment. In the event that Seller's failure to comply with any of the instructions, terms, or conditions of this Order causes delay by Buyer in making payment of Seller's invoices then, in that event such delay will be taken into account in computing cash discounts.

MARKING INSTRUCTIONS:

All packages must show Gross, Tare, and Net Weights and quantities; Packing Slips and Bills of Lading showing contents, part number, description, lot number (if applicable) and Order number shall be enclosed with each shipment. Buyer's count shall be accepted as final on all shipments not accompanied by such Packing Lists and Bills of Lading appropriately marked.

CERTIFICATION OF MATERIAL:

Where requested, Seller will forward such documents relating to certification of material with the material and attached to the Packing Lists. Such certifications of material shall be addressed for the attention of the Quality Control Department, listing the appropriate Order number, part number, and description.

Revision History

Rev. 2	01/16/09	Reformat
Rev. 3	07/06/09	Clerical corrections; No Change in Content
Rev. 4	03/01/10	Reformat

These Requirements are approved and issued under the auspices of Specialty Coating Systems Purchasing and Materials Management Functions.

Richard Bayley
SCS Materials Manager

01 March 2010 Rev.4