



TERMS AND CONDITIONS OF PURCHASE

(1) **CONTRACT TERMS.** This purchase order (the "Purchase Order") is intended as an offer to purchase the materials specified on the purchase order upon the terms and conditions stated herein, and any reference to the Seller's quotation or similar form is solely for the purpose of describing the materials. This Purchase Order expressly limits acceptance to the terms and conditions stated herein, and none of the terms and conditions stated herein may be added to, modified, superseded or otherwise altered except by writing, delivered to Seller, and signed by Buyer. Each shipment received by Buyer from Seller shall be deemed to be only upon the terms and conditions stated herein, notwithstanding any terms and conditions that may appear in Seller's quotation, acknowledgement, invoice or other form, and notwithstanding Buyer's acceptance and/or payment of the material. Buyer reserves for itself, and its customers, the right to audit the Seller's process and quality systems at the Seller's site provided giving notice within reasonable period of time. If the parties have executed a Master Agreement on Buyer's standard form then in the event of a discrepancy between the terms of this Purchase Order and the terms of the Master Agreement, the terms of the Master Agreement shall control.

(2) **FDA LETTERS OF GUARANTEE.** The Seller agrees to provide Letters of Guarantee stating FDA compliance on an annual basis for those commodities as identified by Buyer.

(3) **HAZARDOUS SUBSTANCES.** The Seller agrees to abide by Buyer policy SAF 14 in regards to all hazardous substances. Seller must supply an MSDS that will be approved by Buyer before the substance will be allowed on Buyer property.

(4) **SELLER'S WARRANTIES.** Seller warrants in addition to such warranties that are ordinarily extended by the Seller, or which are established by the Uniform Commercial Code or other applicable law that the products it sells to Buyer will: comply with all applicable laws; be of merchantable quality and free of defects in workmanship and materials; not infringe the patent, copyright, trademark or trade secret rights of any person, and be sold to Buyer at all times at prices which are no higher than those charged by Seller to other purchasers who purchase goods of like grade and quality in similar quantities. Seller shall provide the product or services in a competent and professional workmanlike manner and in accordance with the highest professional standards. Seller warrants that the products or services shall be new and of the best quality, manufactured in strict accordance with the Specifications, and free from liens or encumbrances on title. If, within sixty (60) calendar days following receipt by Buyer of the product or services or such longer period specified by Buyer, Buyer discovers defects in the same, then Buyer will notify Seller and Seller must correct, without additional charge to Buyer, all identified defects within sixty (60) calendar days of the notification by Buyer or such other period permitted by Buyer. If Seller fails to correct the identified deficiencies within the permitted period, Buyer may, (i) reject all or a portion of such product or services in which a defect has been discovered; (ii) accept all or a portion of such product or services in which a defect has been discovered with a price reduction for the cost of repair or the diminution of value; (iii) accept any products or services which are not defective and reject the rest of the products or services; or (iv) perform these actions required to correct the defective products or services either directly or through third parties, and recover the cost of the correction from Seller by charging such cost to Seller or offsetting such cost against sums owed Seller by Buyer for the products or services or other cause.

(5) **DELIVERY AND RISK OF LOSS.** Unless otherwise stated on the purchase order, all materials are to be furnished F.O.B. point of destination, and no charges will be allowed for freight, transportation, crating, handling, demurrage, or for any other matter relating to the delivery of the material to Buyer unless authorized in writing by Buyer. The entire risk of loss, injury or destruction of the material, regardless of the F.O.B. point and cause therefore, shall be borne by Seller until the materials are delivered to and accepted by Buyer. All deliveries are to be tagged with the purchase order number that appears on the purchase order, and no partial deliveries shall be permitted unless otherwise specified on the purchase order.



Buyer requires delivery appointments that must be made at least 24 hours in advance by emailing Placon Logistics at inbound@placon.com with PO number and desired appointment time or range. Buyer will try to accommodate the appointment time request and confirm actual time. Limited dock doors require on-time deliveries. Should a driver arrive early, buyer will try to unload as labor permits, but the driver may have to wait until the appointment time. Placon Logistics can be reached at 608-278-4452 Mon-Friday from 7:30 am – 4:30 pm.

Buyer reserves the right to deduct \$50/hour (15 min. increments) for deliveries two hours after the appointment - if not communicated at least two hours in advance. Five hours late is considered a no-show. Buyer understands break-downs, traffic, or weather situations can occur, however any delays or anticipated issues must be communicated in advance. Should Buyer hold a carrier beyond 2 hours after the appointment, Buyer will reimburse carrier \$50/hour (15 min. increments). Buyer reserves the right to deduct \$250 from your invoice for no-shows or for non-appointed deliveries. Documentation will be attached for any deductions taken.

(6) **INSPECTION AND ACCEPTANCE.** The materials shall be subject to inspection upon delivery and the materials may be rejected for defects or faults revealed by such inspection or by analysis or the use thereof at any time thereafter. Rejected materials may be returned to Seller for full refund, including transportation charges and a 15% process and handling fee.

(7) **PRODUCT LIABILITY, RECALL AND INSURANCE.** Seller agrees to indemnify and save harmless the Buyer from and against any and all suits, claims, expense, costs and damages, including Buyer's actual attorneys fees, resulting from, growing out of, or incurred by the sale or recall, distribution or use of any of such goods, and to defend at Seller's own expense on behalf of the Buyer any and all such suits and claims, but Buyer may, at its election, defend any and all such suits and claims at the expense of Seller, Seller agreeing to reimburse Buyer for such expense.

(8) **TIME OF DELIVERY.** Time is of the essence with respect to the delivery date specified on the purchase order. Seller agrees to compensate Buyer for any damages which Buyer may incur as a result of Seller's failure to deliver on time. In addition, Buyer reserves the right to cancel any portion of this order which is not delivered on time.

(9) **PREMIUM FREIGHT CHARGES.** Premium Freight charges due to mis-description of freight terminology, mis-routing, overdue or partial shipments (not including those authorized) will be charged back. No charge for boxing or cartage, unless previously arranged, will be accepted. Follow Routing as shown for all shipments.

(10) **TOOLING.** Any tooling that the Buyer is invoiced separately for or the price is amortized into the Item(s) price will become the property of and title shall transfer to the Buyer upon Buyer's payment. In the event that the Buyer decides to remove tooling from Seller's premises, the only additional charge to the Buyer will be for freight (F.O.B. Seller's Plant where the tooling is located). Seller will also supply one complete set of Engineering Bill of Materials, drawings and prints covering the tooling.

(11) **FORCE MAJEURE.** The term "FORCE MAJEURE" is understood by both parties to mean any cause to prevent either party from performing any or all of its obligations which arises from or it is attributable to act, events, omissions or accident beyond the reasonable control of the party so prevented and are not reasonably avoidable by the party so prevented including strikes, lockouts or other industrial disputes (whether involving the workforce of the party so prevented or any other party), acts of God, war, riots, civil commotion, malicious damage, compliance with any law or governmental order, rule regulation or direction, by any competent body or authority, accident, breakdown of plant or machinery, fire, flood or storm, restraints or delays affecting shipping or carriers, inability or delay in obtaining supplies of adequate or suitable materials or products, or currency restrictions. Neither party shall be liable to the other party in any manner whatsoever for any failure or delay in performing its obligations due to force majeure.

In case of an event of force majeure, the parties shall meet to decide on and take appropriate measures.

Any party wishing to plead force majeure must notify the other party within fifteen (15) days by registered letter with return receipt, stating the nature, the starting date and the probable end date of the event of force majeure.

Failure to comply with this requirement shall result in full and irrevocable liability of the defaulting party for all risks and



consequences of the event of force majeure.

(12) **ARBITRATION.** In the event a dispute arises between the parties with respect to the interpretation, application of or agreement under these terms and conditions, or should a one party claim a breach of these terms and conditions by the other (said dispute or breach being herein referred to as a "Conflict"), then either party, in the event of a Conflict, may notify the other party in writing of said Conflict and for a period of twenty (20) days from the date of such notice the parties shall attempt to resolve the Conflict by mutual negotiation. In the event the parties are unable to resolve the Conflict within said twenty (20) day time period, then at any time thereafter either party may, by written notice to the other, submit the Conflict to binding arbitration in accordance with the rules and regulations of the American Arbitration Association then in effect. The arbitration shall be held before a panel of one (1) arbitrator. The cost of the arbitrator shall be paid by the party seeking arbitration, but in the event that said party shall be successful in the arbitration proceeding, it shall be reimbursed 50% of the total cost of the arbitrator as well as 50% of the cost of any arbitration administration fees. Each party to the arbitration shall bear the cost of their own attorney fees, expert witness fees and related costs, regardless of the outcome. The language spoken in the arbitration shall be English. Discovery will be limited to a period of sixty (60) days after the arbitrator has been appointed. The decision of the arbitrator shall be final and binding upon the parties, shall have the same force and effect as a judgment and may be entered as such in any court of competent jurisdiction to binding arbitration.

(13) **COVENANT OF CONFIDENTIALITY.** For the purpose hereof "Confidential Information" shall be deemed to define data, information and software which are mutually disclosed by the parties or which either party otherwise obtains in conjunction with the business relationship entered into with the other party.

The parties shall treat Confidential Information as strictly confidential and may not disclose it to any third party. Neither party shall have the right to reproduce any drawing, flow-sheets, layouts, sketches, technical information sheets or operating handbooks supplied by the other for the execution of any contract or agreement. Neither party shall copy or disclose them to third parties or use them to have equipment or parts of the goods made by vendors other than the other party.

In the event that any drawing should have to be given or disclosed to third parties for the execution of the contract or agreement, the Vendor shall inform the Buyer of such actions. The buyer reserves the right to approve the disclosure to any third parties.

Both parties are responsible for making sure the duty of confidentiality shall also be complied with by any third parties. Both parties shall observe professional secrecy for all the data communicated to it by the other party during the execution of any contracts or agreement and any subsequent visits.

The covenant of confidentiality does not apply to INFORMATION which:

- Is already known to the receiving party at the time when it is communicated to them by the other;
- At the time when it is communicated, is already publicly available without breach of confidentiality, i.e. is accessible to anyone.
- At the time when it is communicated, is already available to the receiver of said INFORMATION through his own research, or is already standard technology;
- By written permission of the conveying party, the receiving party is authorized to utilize or to convey to third parties;
- Has to be disclosed to public authorities pursuant to Court order or other mandatory legal process.

(14) **EQUAL OPPORTUNITY.** Vendor agrees to comply with all laws prohibiting discrimination against any employee or applicant for employment because of race, religion, color, national origin, sex, age or because of a physical or mental handicap, including Title VII of the Civil Rights Act of 1964 as amended, Executive Orders 10925, 11141 and 11246 as amended. Sections 402 and 503, the regulations at 41 C.F.R. Parts 60-1 through 60-60, 60-250 and 60-741, and ASPR 12-802 as modified by ASPR—12-803m which are made a part hereof by reference.

Executed on the dates set forth below by the undersigned authorized representatives of the parties to be effective as of the Effective Date.