

Formed Products Business Unit

LUVATA

Purchasing Terms & Conditions

Luvata Ohio
Formed Products Business Unit
1376 Pittsburgh Drive
Delaware, Ohio 43015

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General Purchase Order Terms and Conditions

1. Applicability – This purchase order is an offer by Luvata Ohio, Inc. (“Buyer”) for the purchase of the goods or services specified on the face of the order (“goods”) from the party to whom the order is addressed (“Seller”) in accordance with and subject to these terms and conditions (the “Terms”, together with the terms and conditions on the face of the purchase order, the “Order”). This Order constitutes the entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous agreements, negotiations, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller’s acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller’s general terms and conditions of sale or any other document issued by Seller in connection with the Order. The Order is not binding on Buyer until Seller accepts the Order in writing or starts performance under the Order.
2. Prices – This Order must not be filled at higher prices than shown on the Order or last quoted by Seller without authority of Buyer. If no price is included in the Order, the price will be Seller’s lowest prevailing market price as of the date of the Order. Unless otherwise specified in the Order, the price includes all costs for packaging, transportation, customs duties, fees and sales, use and other applicable taxes. No increase in the price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer. Seller warrants that the prices described herein are as low as any net price now given by Seller to any other customer for similar volumes of similar goods. If Seller charges any other buyer a lower price, Seller must apply that price to all goods under this Order. If Seller fails to meet the lower price, Buyer, at its option, may terminate the Order without liability.
3. Payment Terms – Unless otherwise agreed in writing by Buyer and Seller, Buyer shall pay all properly invoiced amounts due to Seller within 60 days after the date of invoice, except for any amounts disputed by Buyer in good faith.
4. Quantities – Delivery of any material above the quantity specified on this Order will be at risk of the Seller, unless approved in advance by the Buyer. Over shipments not authorized may be returned at Seller’s expense, including transportation both ways.
5. Delivery – Unless otherwise agreed in writing by Buyer and Seller, delivery terms shall be F.O.B., delivery location. Seller shall deliver the goods in the quantities and on the date(s) specified in the Order or as otherwise agreed in writing by the parties. Timely delivery of the goods is of the essence. If Seller fails to deliver the goods in full on the applicable delivery date, Buyer may terminate the Order immediately on written notice to Seller.
6. Inspection and Rejection – Buyer has the right to inspect the goods on or after the delivery date and may reject all or any portion of the goods if it determines they are nonconforming or defective. If Buyer rejects any portion of the goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the goods at a reasonably reduced price; or (c) reject the goods and require replacement of the rejected

goods. If Buyer requires replacement of the goods, Seller shall, at its expense, promptly replace the nonconforming goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement goods. If Seller fails to timely deliver replacement goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate the Order for cause. Seller will have the right, at reasonable times upon prior written notice to Seller, to inspect the premises where the goods are manufactured to verify Seller's compliance with the Order.

7. Changes in Specification – Buyer may at any time make changes in writing relating to this Order, including changes in the drawings or specifications, as to any goods or services covered by this Order, or method of shipment or quantities or packaging or time or place of delivery. If such changes result in increase or decrease in cost or time required for performance of this Order, an equitable adjustment shall be made in the contract price or delivery schedule or both.
8. Compliance With Law – Seller is in compliance with and shall comply with all applicable laws, rules, regulations, orders and ordinances. Without limiting the foregoing, Seller agrees that:
 - (a) All goods sold under an Order shall satisfy current governmental and safety constraints on restricted, toxic or hazardous materials, as well as environmental, electrical or electromagnetic considerations applicable to the country of manufacture or sale. If such goods contain any restricted, toxic or hazardous substances, the Seller shall provide a certification to Buyer that such goods comply with all applicable governmental and safety regulations.
 - (b) Seller shall bear full responsibility for continuous monitoring of the publication and updates of the European Chemicals Agency list of Substances of Very High Concern ("SVHC") (viewable list table at <http://echa.europa.eu/web/guest/candidate>) and immediately notify Buyer if the delivered goods contain SVHCs > 0.1% by weight or substances restricted under Annex XVII of REACH. The notification that goods contain SVHCs shall include the name and weight of the substance(s) and the weight percentage present, if > 0.1% by weight of the delivered goods. The presence of SVHCs < 0.1% by weight of the delivered goods does not need to be reported. Unreported SVHCs present above the threshold or substances restricted under Annex XVII of REACH, will give Buyer the right to cancel the Order and/or return the applicable goods.
 - (c) Conflict Minerals usage in furnished goods: The Seller hereby certifies that the goods do not contain any conflict minerals sourced from covered countries, as defined pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Seller agrees to provide, from time to time, such further certifications relating to the origin of material contained in the goods as Buyer may request. More information may be found at

http://www.sec.gov/News/PressRelease/Detail/PressRelease/1365171484002#.UzCLk3_-aUM

For Conflict Minerals Reporting Template please refer to:

<http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>

- (d) Seller is solely responsible for the full compliance of delivered goods with any applicable rules and regulations on restriction of hazardous substances (“RoHS Legislations”), such as the Directive 2002/95/EC as of 27 January 2003, the Administrative Measures on the Control of Pollution Caused by Electronic Information Products as of 28 February 2006, etc., and all further releases as well as all national or local regulations issued in execution of the RoHS Legislations. Therefore, all delivered goods must be suitable and fit for RoHS compliant production and sale. Seller will complete and sign a standard Declaration of RoHS Compliance at the raw material or part number level, use appropriate systems and processes to ensure the accuracy of these determinations and maintain appropriate records to allow traceability of all goods, or otherwise fulfill Buyer’s requirements under the applicable RoHS Legislations at its own cost. Seller will promptly inform Buyer of any changes affecting RoHS compliance.
 - (e) To the extent applicable, all parties agree that they will abide by the provisions *29 CFR Part 471 Appendix A to Subpart A*. Additionally, **this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.**
9. Seller’s Warranty – Seller warrants that all goods and services delivered under the Order will: (a) be free from defects in material, workmanship and design, (b) conform strictly to the specifications, drawings, or samples specified or furnished by Buyer, (c) not infringe or misappropriate any third party’s patent or other intellectual property rights; and (d) be free and clear of all liens, security interests and other encumbrances. These warranties shall survive any inspection, delivery, acceptance or payment by Buyer of the goods or services and are cumulative and in addition to any other warranty provided by law or equity.
10. Order Cancellations – Buyer may cancel an Order at any time upon written notice to Seller and Seller will immediately cease all further work in connection with that Order.
- (a) Cancellation Charges. There will be no charges for cancellations outside of the good’s lead time; otherwise:
 - (i) for Seller off-the-shelf goods, Seller may invoice Buyer for cancelled goods that it cannot sell to its other customers after good faith, verifiable efforts to do so for at least three months. Seller must invoice Buyer within thirty calendar days after the three month period; otherwise all claims will be waived.

(ii) for Buyer-unique goods, Seller will use its best efforts to return or reuse raw materials purchased for the cancelled Order in accordance with its customary commercial practices, and if that is not possible, to sell such raw materials; provided, however, that Seller shall not be obligated to sell such raw materials for less than Seller's cost. Seller may invoice Buyer within ninety days following the date of Order cancellation for:

(A) raw materials that it could not return, reuse or sell at an invoice price equal to Seller's cost, and

(B) work-in-progress, at a pro rata share of the good's price based upon percentage completion of the cancelled goods.

(b) Affected Goods. Upon payment of Seller's invoice for cancelled goods and upon written request of Buyer, Seller will ship all goods and work-in-progress that is the subject of that invoice to Buyer.

(c) Sole Remedy. THIS SECTION 10 SETS FORTH SELLER'S ENTIRE REMEDIES WITH RESPECT TO THE CANCELLATION OF ANY ORDER.

11. Termination – Buyer may terminate this Order upon written notice to the Seller: (a) if Seller defaults in the performance of its obligations under the Order and Seller is unable to cure the default within ten (10) days following notice of such default, or (b) immediately upon notice to Seller if Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors. If Buyer terminates the Order under this section, Seller's sole and exclusive remedy is payment for the goods received and accepted by Buyer prior to the termination. Provisions of the Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order.
12. Amendment and Assignment – No change to the Order is binding upon Buyer unless it is in writing, specifically states that it amends the Order and is signed by an authorized representative of Buyer. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Buyer.
13. Relationship of the Parties – The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.
14. Indemnification – Seller shall defend, indemnify and hold harmless Buyer and its affiliates, successors or assigns, and their respective directors, officers, owners and employees, and Buyer's customers, against any loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, arising out of or occurring in connection with goods or services purchased from Seller or Seller's negligence, willful misconduct or breach of the Terms.

15. Governing Law – All matters arising out of or relating to the Order shall be governed by and construed in accordance with the internal laws of the State of Ohio, without giving effect to any choice or conflict of law provision or rule. The United Nations Convention on the International Sale of Goods shall not apply to the Order. The rights and remedies under the Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise. Any action or proceeding relating to the Order shall be instituted in the applicable federal or state courts located in the State of Ohio, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding.