

## ADALET/SCOTT FETZER COMPANY PURCHASE ORDER TERMS AND CONDITIONS

**1. Acceptance of Contract.** Adalet/Scott Fetzer Company (“Buyer”) shall not be bound by this Order until seller (“Seller”) executes and returns to Buyer the acknowledgment copy of this Order. This Order expressly limits acceptance to the terms and conditions stated herein and any additional or different terms proposed by Seller, whether prior or subsequent to this Order, are rejected unless expressly agreed to in writing by Buyer. No contract shall exist except as provided herein.

**2. Amendments.** The parties agree that this Order, including the terms and conditions on the face and reverse side together with any documents attached or incorporated by reference, contains the complete and final contract between Buyer and Seller and that no agreement or understanding to modify this contract shall be binding upon Buyer unless in writing and signed by Buyer’s authorized representative. All specifications, drawings, and data submitted to Seller with this Order or referred to by this Order are incorporated and made a part of this contract.

**3. Pricing and Invoices.** The prices in this Order include all direct, indirect and incidental charges related to the sale and delivery of goods or the performance of services, including but not limited to packaging, crating, storage, agent and brokerage fees, insurance costs, freight shipping charges, document fees, duties and charges of any kind. Invoices will be payable upon the terms set forth in the Order.

**4. Taxes.** Except as may otherwise be provided in this Order, the contract price includes all applicable federal, state, and local taxes in effect on the date of this Order. In case of new taxes or increased rates or repeal of taxes or the reduction of rates, the contract order price shall be adjusted accordingly by Buyer in writing before Seller proceeds with such change. Price increases shall not be binding on Buyer unless evidenced by a purchase order change notice or revision issued and signed by Buyer.

**5. Delivery.** Time is of the essence. If delivery of goods is not made in the quantities or at the time specified, or rendering of services is not completed at the time specified, Buyer reserves the right, without liability and in addition to its other rights and remedies, to take either or both of the following actions: (a) direct expedited routing at Seller’s expense; and/or (b) terminate this contract as to goods not yet shipped or services not yet rendered, and to purchase substitute goods or services elsewhere and charge Seller with any loss or incremental expense incurred.

Seller shall be liable for excess transportation charges, delays or claims resulting from Seller’s deviation from Buyer’s routing instructions. Neither party shall be liable for excess costs of deliveries or defaults due to causes beyond its control and without its fault or negligence, provided, however, that when Seller has reason to believe that deliveries will not be made as scheduled, written notice setting forth the cause of the anticipated delay must be given immediately to Buyer. If Seller’s delay or default is caused by the delay or default of a subcontractor, such delay or default shall be excusable only if it arose out of causes beyond the control of both Seller and subcontractor and without the fault or negligence of either of them and the goods to be furnished or services to be rendered were not obtainable from other sources in sufficient time to permit Seller to meet the required delivery or performance schedule.

Buyer will have no liability for payment for goods delivered to Buyer which are in excess of quantities specified in this contract and delivery schedules, or which are delivered in advance of Buyer’s delivery schedule or for all transportation charges therefore. Buyer will not be liable for any material or production cost incurred in excess of the amount or in advance of the time necessary to meet Buyer’s delivery schedules.

**6. Inspection and Acceptance.** Payment for any goods under this contract shall not constitute acceptance thereof. All goods purchased hereunder are subject to inspection at Buyer's destination, and Buyer reserves the right to reject and refuse acceptance of goods, or to return goods already accepted, which are not in accordance with this contract or with Seller's warranties (express or implied). Goods not accepted will be returned to Seller for full credit, repair or replacement at Buyer's option and at Seller's risk and expense, including transportation charges both ways. Such credit, repair or replacement shall occur within a commercially reasonable time from the Seller's receipt of the returned goods. No replacement of rejected goods shall be made unless specified by Buyer in writing.

Neither Buyer's inspection of nor failure to inspect shall relieve Seller of any obligations hereunder. Acceptance of any part of the goods shall not bind Buyer to accept, nor constitute a waiver of, Buyer's right to cancel or return future shipments, nor deprive it of the right to make any claim for damages, including incidental or consequential loss or damage incurred by Buyer. Such rights shall be in addition to any other remedies provided by law.

**7. Freight Charges, Packing, Drayage and Containers.** Unless otherwise expressly stated on the face of this Order, all goods shall be delivered F.O.B. destination. No charges for packing, drayage, or containers will be allowed unless specified on the face of this Order. Seller shall be liable for damage caused by improper boxing, crating, or packing.

**8. Title/Risk of Loss.** Title and risk of loss shall not pass to Buyer until delivery and set-up of the goods at the final destination in accordance with the provisions of this Order. Buyer shall not be responsible for any damage to goods occurring during shipment, delivery or set-up.

**9. Seller's Warranties.** Seller hereby warrants that the whole of the goods furnished hereunder shall be free of defects in material and workmanship; of merchantable quality; fit for Buyer's purposes; free and clear of all liens, encumbrances, security interests and/or other claims; free of infringement or violations of any copyright, trademark or other intellectual property rights; and that they shall conform with Buyer's instructions, specifications, drawings and data. Seller hereby further warrants that the whole of the goods furnished hereunder shall conform to all representations, affirmations, promises, descriptions, samples or models forming the basis of this contract. These warranties shall run to Buyer, its successors, assigns and customers and the users of its products. Said warranties shall be in addition to any warranties of additional scope given by Seller to Buyer. **NONE OF SAID WARRANTIES AND NO OTHER IMPLIED OR EXPRESS WARRANTIES SHALL BE DEEMED DISCLAIMED OR EXCLUDED UNLESS EVIDENCED BY A PURCHASE ORDER CHANGE NOTICE OR A REVISION ISSUED AND SIGNED BY BUYER.** Seller agrees to replace or correct defects in any goods or services not conforming to the foregoing warranties within a commercially reasonable time, at Seller's risk and expense, when notified of such non-conformity by Buyer. In the event of failure by Seller to correct defects in or replace non-conforming goods or services in the required time frame, Buyer, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the costs incurred by Buyer thereby. Inspection, test, acceptance or use of the goods furnished hereunder shall not affect Seller's obligation under these warranties and such warranties shall survive inspection, test, acceptance and use of the goods.

**10. Property of Buyer.** Unless otherwise provided in this Order or agreed to in writing, property of every description, including but not limited to all tooling, tools, equipment and material furnished or made available to Seller, title to which is in Buyer, and any replacement thereof, shall be and remain the property of Buyer. Seller shall not use such property except for performance of work hereunder or as authorized in writing by Buyer. Such property while in Seller's possession or control shall be kept in good condition, shall be held at Seller's risk, and shall be kept insured by Seller, at its expense, in an amount equal to the replacement cost with loss payable to Buyer. As and when directed by Buyer, at Seller's risk and expense, Seller shall disclose the

location of such property and or prepare it for shipment and ship it to Buyer in as good condition as originally received by Seller, reasonable wear and tear excepted.

**11. Special Tooling.** The term "special tooling" as used in this clause shall be deemed to include all jigs, dies, fixtures, molds, patterns, special cutting tools, special gauge, special test equipment, other special equipment and manufacturing aids and drawings and any replacement of the foregoing, acquired or manufactured or used in the performance of this Order, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the production of the supplies or parts thereof or performance of the services of the type required by this Order. The term does not include (a) items of tooling or equipment heretofore acquired by Seller, or replacement thereof, whether or not altered or adopted for use in the performance of this Order; (b) consumable small tools, (c) general or special machine tools or similar capital items; or (d) tooling, title to which is in Buyer.

Seller agrees that special tooling shall be retained and not used or reworked except for performance of work hereunder or as authorized in writing by Buyer. While in Seller's possession or control, Seller warrants that it will keep the special tooling in good condition, fully covered by insurance and will replace it when lost, destroyed or necessary for performance of work hereunder. Upon cessation or termination of the work under this Order for which the special tooling is required, Seller shall furnish Buyer a list of the products, parts or services for the manufacture or performance of which such special tooling was used or designed and a list indicating where each item of the special tooling is located and shall transfer title to and possession of the special tooling to Buyer for an amount equal to the unamortized cost thereof, or dispose thereof as Buyer may direct in writing. In addition, Buyer shall have the right to take possession of, including the right of entry for such purpose, any special tooling, title to which Buyer acquires hereunder, without any additional liability whatsoever to Seller.

**12. Confidentiality and Proprietary Rights.** Seller agrees to maintain as confidential any information disclosed to it by Buyer pursuant to this contract, including the existence and terms of this Order. All technical information whatsoever supplied to Seller by Buyer in respect to this contract shall be considered and kept confidential by Seller, and neither Seller nor any of its employees, agents or representatives shall disclose any such information directly or indirectly to any other person whatsoever. Additionally, Seller agrees that any invention, improvement or discovery (whether or not patentable), conceived or reduced to practice in the performance of this contract by any employee, representative or agent of Seller, or other person working under Seller's direction ("Work Product") shall belong exclusively to Buyer, and Seller automatically assigns and shall cause its employees, agents and representatives to automatically assign all right, title and interest in and to the Work Product to Buyer at the time of creation of the Work Product. Seller shall take such further action including execution and delivery of instruments of conveyance as may be appropriate to give full effect to such assignment. Upon completion of this contract, Seller shall deliver to Buyer any and all information relating to any such Work Product. Seller acknowledges and agrees that Buyer has valuable and proprietary trade names, trademarks, service marks, patents and copyrights, and Seller agrees that it will not refer to or use such trade names, trademarks, service marks, patents or copyrights except with the express written permission of Buyer.

**13. Indemnification.** Seller agrees to indemnify, defend and save Buyer harmless from and against all damages, liabilities, claims, losses and expenses, including reasonable attorney's fees, (i) resulting from any defect or imperfection in the design, material or workmanship of any good, a good's merchantability or fitness for an ordinary or particular purpose; (ii) resulting from any failure of the goods to comply with all applicable specifications, warranties, testing or certifications; or (iii) for damage to property or for injury or death of any person caused by or in any way arising out of Seller's furnishing of any good or service under this contract.

Seller further agrees, at its own expense, to defend any suit, action, claims or allegations of alleged infringement of patent or invention rights or misappropriation of intellectual property arising from the sale or use of such goods or services and agrees to indemnify, defend and hold Buyer harmless from any damages, liabilities,

claims, losses and expenses (including attorney's fees) paid or incurred by Buyer in connection with any such suit, action, claims or allegations, whether against Buyer or against those selling or using the goods or services covered by this Order; provided, however, that this indemnity shall not apply to any such damages, liabilities, claims, losses or expenses to the extent arising out of full compliance by Seller with specifications furnished by Buyer.

Seller agrees that this indemnification shall survive acceptance of the goods or services and payment therefor by Buyer, and shall be binding upon Seller, its successors and assigns, and shall inure to the benefit of Buyer, its successors and assigns and its officers, directors, agents and employees.

**14. Insurance.** If this contract covers the performance of labor for Buyer, Seller agrees to furnish evidence satisfactory to Buyer that all liens have been released by all persons who have performed services or furnished materials under this contract. Seller further agrees, at its sole cost and expense, to maintain continually in force during the term of this contract a policy of Comprehensive General Liability insurance, including coverage for product liability, broad form personal injury and property damage, blanket contractual liability, and broad form vendor coverage, in the combined single limit amount of \$1,000,000 per occurrence, automobile liability insurance (including non-owned automobile liability) and worker's compensation and employer's liability insurance as will adequately protect Buyer against the damages, liabilities, claims, losses and expenses (including attorney's fees) referred to in Section 13.

All policies of insurance shall provide that the proceeds shall be payable to Buyer and Seller as their respective interests may appear. All policies of insurance shall further provide that they shall not be cancelable on less than thirty (30) days notice to all insured. Seller shall furnish Buyer with certificates, satisfactory to Buyer, evidencing such insurance policies and naming Buyer as an additional insured. If Seller is self-insured, the certificate of the applicable state department of labor and industry must be furnished by such department directly to Buyer. Compliance by Seller with the insurance requirements does not in any way affect Seller's indemnification of Buyer under Section 13.

**15. Independent Contractor.** The parties shall at all times act as independent contractors and in no event shall be considered employees or agents of the other party. Accordingly, no party shall, by virtue of this contract, be entitled to participate in or enjoy any benefits under any pension, welfare, fringe benefit or other compensation plan or program maintained by any other party. Nothing contained in this contract shall permit or authorize the parties to execute any agreement or take any other action that is binding upon the other.

**16. Termination.** Buyer may at any time terminate this Order in whole or in part (i) for default by Seller of any or all parts of the contract, or (ii) for its convenience upon written notice to Seller in which event Seller shall be entitled to payment for work satisfactorily performed under this Order prior to termination, as evidenced by reasonable documentation. Upon termination due to Seller's default, Buyer may elect to purchase, at Seller's cost, any goods Seller may have purchased to fulfill Buyer's order or exercise any other rights that Buyer may have in law or equity. In no event shall Buyer be liable for any special, consequential, speculative or punitive damages resulting from the termination of this contract.

**17. Compliance with Laws.**

a. Seller warrants that all goods or services furnished hereunder will comply with all applicable federal, state and local laws (and with the regulations, orders and standards thereunder).

b. Buyer expects that Seller will comply with all applicable laws and regulations, which may include the United States' Foreign Corrupt Practices Act of 1977, as amended from time to time, including the 1998 amendment (the "FCPA") and the United Kingdom's Bribery Act 2010 ("UKBA"). Buyer expects that, to the extent the FCPA or the UKBA applies to Seller's activities, Seller will be knowledgeable of, understand and fully comply

with the mandates of the FCPA or UKBA as applicable. Buyer shall complete any questionnaire or other document reasonably requested by Seller relating to its business activities and Seller's goods.

c. Seller warrants that the goods supplied to Buyer have been produced in compliance with all local, national and other laws of all jurisdictions globally relating to slavery, child labor or other human trafficking which are applicable to Seller's business activities in connection with this Order. This warranty applies to both the goods supplied to Buyer and the materials incorporated into those goods.

**18. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals with disabilities on the basis of disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities.**

**19. Conflict Minerals.** Supplier agrees that all products (including parts and components thereof) that it provides to [Company] which contain "conflict minerals" (as defined in section 1502(e) (4) of the Dodd-Frank Wall Street Reform and Consumer Protection Act) that are necessary to the functionality or production of the product, are "DRC conflict free" (as that term is defined at 15 U.S.C. § 78m (p) (1) (D)).

**20. Equal Opportunity / Affirmative Action.** Seller agrees, to the extent applicable, to comply with Executive Order 11246 and the implementing regulations found at 41 CFR Part 60. Seller incorporates into this Order, as applicable, the Equal Opportunity clauses found at 41 CFR § 60-1.4(a) and will likewise incorporate the clauses into all applicable subcontracts as required by 41 CFR § 60-1.4(d).

**21. Notice of Employee Rights Under Federal Labor Laws.** Seller incorporates into this Agreement, as applicable, the obligations regarding the notice of employee rights under federal labor laws found at 29 CFR Part 471, Appendix A to Subpart A, and will likewise incorporate those obligations into all applicable subcontracts as required by 29 CFR Part 471.

**22. Waiver.** The failure of Buyer to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this contract or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition or the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect.

**23. Assignment.** None of the sums due or to become due nor any of the work to be performed under this contract shall be assigned by Seller, nor shall Seller subcontract for completed or substantially completed material called for by this contract without Buyer's prior written consent. Seller shall be fully responsible for all work permitted to be performed by subcontractors.

**24. Controlling Law.** The provisions of this Order and any contact between the parties shall be interpreted and construed in accordance with the laws of the State of Ohio and the exclusive venue for any actions brought under this contract shall be the State and Federal courts of Cuyahoga County, Ohio.

**25. Entire Agreement.** These terms and conditions, and any purchase order provided to Seller by Buyer, constitute the entire understanding between the parties with respect to the subject matter herein and may only be modified in a writing signed by a representative of each party. Any additional or different provisions proposed by Seller are rejected and will not be effective unless agreed to in writing by Buyer.