



GLOBAL PURCHASING TERMS AND CONDITIONS

These Global Purchasing Terms and Conditions (this "Agreement") set-forth the terms and conditions upon which Buyer, as identified on the purchase order ("Buyer"), offer to purchase, on a non-exclusive basis, the goods, materials, supplies, services and/or work, as described on written purchase orders (collectively referred to herein as "Goods") to the supplier of the Goods ("Seller"). In consideration of the mutual covenants and conditions set forth below, Buyer and Seller agree as follows:

- 1. Acceptance of Terms:** Seller agrees to be bound by and to comply with all of the terms and conditions set forth in this Agreement, including any amendments, supplements, specifications and other documents referenced herein, including, but not limited to, Buyer's purchase orders. Acknowledgement of any purchase order, including without limitation by beginning performance of the work called for by such purchase order, shall be deemed acceptance of the purchase order and this Agreement. Any different or additional terms in Seller's quote or any other document, whether pre-printed or otherwise, are specifically excluded.
- 2. Shipping Instructions and Risk of Loss:** Unless the purchase order states otherwise, all Goods will be shipped freight prepaid, and all risk of loss, injury or damage to the Goods shall be defined by the provisions of DDP Buyer's selected destination (Incoterms 2000). Each case shall be marked by Seller with a separate case number, name of shipper, contents of case, designated weights and volumes, and Buyer's specification number, when applicable. Packaging for international shipments shall be non-wood, or if not possible, non-coniferous wood. Seller shall provide any required statements or certifications of "non-coniferous" or "non-wood" packaging to the receiving port authorities. All invoices and/or bills of lading shall display the purchase order number and shipper's case numbers. All original bills of lading or express receipts shall be immediately sent to Buyer upon shipment. Buyer reserves the right to reject any C.O.D. shipments and Goods sent on a sight draft basis. Buyer shall not be indicated as the importer of record on any customs declaration.
- 3. Delivery:** Unless the parties agree otherwise in writing, all deliveries will be made in the quantities and at the time specified in Buyer's purchase order. Buyer may cancel all or any part of a purchase order if deliveries are not made by the specified date, or if no date is specified, if deliveries are not made promptly. Buyer shall have no liability for payment for Goods delivered to Buyer that are in excess of the specified quantities. All settlements will be based on Buyer's weights or counts. Time is of the essence for Seller's performance of all of its obligations under this Agreement.
- 4. Prices and Taxes:** The price for the Goods shall be as set forth in the applicable purchase order, except that if no price for the Goods is stated therein the price shall be the lower of (a) the last price paid by Buyer to Seller for Goods of the same quality and quantity or (b) the prevailing market price. Seller shall give Buyer written notice of any increase in price at least thirty (30) days before the effective date of the increase. Buyer may elect to terminate the purchase order as of the effective date of a price increase by providing written notice to Seller prior to such effective date. The price applicable to any purchase hereunder shall be the sales price in effect as of the date Seller receives Buyer's purchase order for the Goods. Seller warrants the pricing for any Goods shall not exceed the pricing for the same or comparable goods or services offered by Seller to third parties. Seller shall promptly inform Buyer of any lower pricing levels for same or comparable goods or services and the parties shall promptly make the appropriate price adjustment. Seller's price includes all sovereign, state and local sales, use, excise, value added, privilege, payroll, occupational and any other taxes, fees, or duties applicable to the Goods. Seller shall ensure that if any value-added or similar tax is applicable, that it is invoiced in accordance with the applicable rules so as to allow Buyer to reclaim that value-added or similar tax from the appropriate government authority. Neither party is responsible for taxes on the other party's income. If Buyer is

required by government regulation to withhold taxes for which Seller is responsible, Buyer will deduct such withholding tax from payment to Seller and provide to Seller a valid tax receipt in Seller's name. If Seller is exempt from such withholding taxes as a result of a tax treaty or other regime, Seller shall provide to Buyer a valid tax treaty residency certificate or other tax exemption certificate at a minimum of thirty (30) days prior to payment being due.

5. Invoices and Payments: Invoices shall not be dated prior to the shipping date. All invoices shall contain Buyer's purchase order number. Unless the purchase order states otherwise, payment terms are Net thirty (30) days from the later of Buyer's (a) receipt of the Goods or (b) receipt of a valid invoice. Buyer shall be entitled to reject Seller's invoice if it fails to include Buyer's purchase order number or is otherwise inaccurate, and any resulting delay in payment shall be Seller's responsibility. No extra charges of any kind will be allowed unless specifically agreed to in writing by Buyer. Buyer shall be entitled at any time to set-off any and all amounts owing from Seller to Buyer, or a Buyer parent, affiliate or subsidiary.

6. Changes: Buyer reserves the right to make changes in (a) drawings, designs or specifications where the Goods to be furnished are to be specially manufactured for Buyer, (b) method of shipment or packing, (c) place and time of delivery, (d) quantity and/or (e) scope or schedule of services. If any changes cause an increase or decrease in the cost of, or the time required for the performance of, any purchase order, an equitable adjustment shall be made in the purchase order price and/or delivery schedule, in writing; provided, however, any Seller claim for adjustment under this Section will be deemed waived unless asserted within thirty (30) days from Seller's receipt of the change or suspension notification, and may only include reasonable, direct costs that will necessarily be incurred as a direct result of the change.

7. Warranties: Seller warrants that the Goods: (a) shall conform to applicable standards, specifications and drawings; (b) are merchantable; (c) are fit for the particular purpose for which such Goods are to be employed; (d) are free from defects in materials and workmanship; and (e) shall conform to any other express warranties Seller may have made to Buyer. If Seller is responsible for the design of the Goods, Seller warrants that such Goods will be suitable for use by Buyer, including installation by Buyer in its ultimate products. Buyer's written approval of designs furnished by Seller shall not relieve Seller of its obligations under this warranty and Seller waives all defenses of lack of reliance. Notwithstanding Seller's standard warranty, all warranties shall extend for a minimum period of eighteen (18) months from receipt by Buyer or after the Goods are applied to their intended use. Seller shall be liable for all damages both to Buyer and any third party as a result of any breach of warranty of any Goods. The warranties under this Section shall run to Buyer, its successors, assigns, and the users of the Goods. If any Goods are found to be defective during the warranty period then, in addition to other rights, remedies and choices as it may have by law, contract or at equity, Buyer at its option and sole discretion and at Seller's expense may: (a) reject and return such Goods for a full credit or refund; or (b) require Seller to remove, ship and reinstall/reperform nonconforming Goods with conforming Goods. Any repaired or replaced Goods shall carry warranties on the same terms as set forth above. The foregoing warranties are in addition to any other warranties customarily made by Seller and any implied warranties available by law.

8. Inspection and Quality Control: Seller must meet the requirements, if applicable, of IATF16949, ISO9001, Buyer's written specifications provided on Buyer's purchase orders and/or Buyer's Supplier Requirements Manual (Supplier Quality Process). All Goods are subject to inspection and tests by Buyer and representatives of any third party purchasing Buyer's product in which the Goods will be used. Seller shall provide and maintain inspection and quality control systems covering the Goods acceptable to Buyer. Seller shall maintain records of all inspection work and make them available to Buyer upon request. Goods which do not conform to the purchase order and Goods which do not meet warranty requirements ("Nonconforming or Defective Goods") will be held by Buyer for Seller's instructions and at Seller's risk. If Seller directs, Buyer shall return Defective or Nonconforming Goods to Seller at Seller's risk and expense. No returned Defective or Nonconforming Goods shall be replaced without a new order and schedule. Payment for Goods on any purchase order, prior to inspection, shall not constitute Buyer's acceptance thereof, nor shall acceptance be deemed a waiver of Seller's liability and responsibility for latent defects or nonconformance. In addition, if a special production run is made for Buyer then the first Goods produced shall be subject to first article acceptance by Buyer, prior to further fabrication. Acceptance by Buyer of the first article shall not be considered acceptance of all subsequent Goods.

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9. Confidential Information: Seller understands that Buyer considers all information delivered to Seller by Buyer, in any form, to be confidential and proprietary (“Confidential Information”). All Confidential Information shall remain the property of Buyer, and shall be returned to Buyer promptly upon Buyer’s request. Seller agrees to maintain the confidentiality of such Confidential Information for a period of ten (10) years after the last delivery of Goods to Buyer unless such information: (a) is or becomes public knowledge other than through the unauthorized disclosure by Seller; (b) is received legally without restriction on disclosure from a third party who has the right to make such disclosure; or (c) is required to be disclosed to comply with a judicial order or decree. Confidential Information may only be used by Buyer to fulfill its obligations under this Agreement.

10. Cancellation: Buyer reserves the right to cancel all or any part of a purchase order if: (a) Seller breaches any of the terms of this Agreement; (b) Seller does not make deliveries as specified in the applicable schedules; or (c) in Buyer’s reasonable discretion it determines that delivery in accordance with the delivery schedules is endangered and Seller does not correct any issues identified by Buyer within ten (10) days after receipt of written notice from Buyer.

11. Excusable Delays: Neither Seller nor Buyer shall be liable for any damage arising out of any delay or failure to perform due to circumstances beyond its reasonable control and without its fault or negligence, including but not limited to, strikes, fires, war and acts of God; provided, however, if Seller claims an excusable delay, Seller must notify Buyer within ten (10) days of the occurrence, and make all reasonable efforts to obtain supplies or services from other sources in order to deliver the Goods on the specified dates. If any delay in performance continues beyond sixty (60) days, Buyer shall have the option, in its sole discretion, to terminate the purchase order immediately without penalty upon written notice to Seller.

12. Buyer Property: Unless otherwise agreed in writing, all tangible and intangible property, including, but not limited to, information or data of any description, tools, materials, drawings, computer software, know-how, documents, equipment or material furnished to Seller by Buyer or specially paid for by Buyer, and any replacement thereof, or any materials affixed or attached thereto (collectively “Buyer Property”), shall be and remain Buyer’s personal property. Such Buyer Property and, whenever practical, each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as Buyer’s property and shall be safely stored separate and apart from Seller’s property. Seller shall use Buyer Property only to meet Buyer’s purchase orders, and shall not use it, disclose it to others or reproduce it for any other purpose. Such Buyer Property, while in Seller’s custody or control, shall be held at Seller’s risk, shall be kept insured by Seller at Seller’s expense in an amount equal to the replacement cost with loss payable to Buyer and shall be subject to removal at Buyer’s written request, in which event Seller shall prepare such property for shipment and redeliver to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted, all at Seller’s expense. Buyer shall own exclusively all rights in ideas, inventions, works of authorship, strategies, plans and data created in or resulting from Seller’s performance under any Buyer purchase order, including all patent rights, copyrights, moral rights, rights in proprietary information, database rights, trademark rights and other intellectual property rights. All such intellectual property that is protectable by copyright will be considered work(s) made for hire for Buyer (as the phrase “work(s) made for hire” is defined in the United States Copyright Act (17 U.S.C. § 101)) or will give Buyer “first owner” status related to the work(s) under local copyright law where the work(s) was created. If by operation of law any of such intellectual property is not owned in its entirety by Buyer automatically upon creation, then Seller agrees to transfer and assign to Buyer, and hereby transfers and assigns to Buyer, the entire right, title and interest throughout the world to such intellectual property.

13. Indemnity: Seller shall defend, indemnify and hold Buyer harmless from any and all demands, claims, damages, including bodily injury and/or death, actions, judgments, fines, penalties, expenses (including reasonable attorneys’ fees and court costs), and import and export customs fees for which Buyer might become liable as a result of Seller’s performance or nonperformance under this Agreement, for Buyer’s or its customers’ use of the Goods, and for actual or alleged infringement of, or inducement to infringe, any domestic or foreign patent, trademark, copyright, mask work or other intellectual property right by reason of the manufacture, use or sale of the Goods. This Section shall not obligate Seller to indemnify Buyer for injuries or damages caused solely by the negligence of Buyer.

14. Insurance: Seller represents that it has insurance policies in effect and agrees to furnish insurance carrier's certificates showing that Seller has Worker Compensation, Commercial Liability and Product Liability coverage in amounts and with insurance carriers acceptable to Buyer. Said certificates must state the amount of coverage, number of policy, date of expiration and a term giving Buyer ten (10) days prior written notice of cancellation. Seller's purchase of any insurance coverage or furnishing of the certificates shall not in any manner limit Seller's liability hereunder or in any way modify Seller's obligations to Buyer.
15. Compliance with Laws: Seller warrants that it shall comply and that all Goods shall comply with all applicable federal, state, provincial, and local laws, rules, orders and regulations, of the countries (and their legal subdivisions) of manufacture, assembly and delivery (collectively "Applicable Laws") including without limitation, import and export requirements. Upon request, Seller shall supply Buyer with proof of such compliance in such form as may be required by any Applicable Law and as Buyer may deem necessary. Buyer may audit Seller's compliance with Applicable Laws and its performance under this Agreement. If Goods are delivered to or produced in the United States of America Section 202 of Executive Order 11246, as amended, is incorporated by this reference.
16. Supply Chain Security: Unless otherwise agreed upon by Buyer in writing, if the Goods are imported into the USA, Seller agrees to become compliant with U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) within ninety (90) days of acceptance of Buyer's initial purchase order. Seller shall maintain its compliance as C-TPAT updates its guidelines and ensure that any subcontractors are also in compliance with C-TPAT.
17. Limitations of Liability: IN NO EVENT SHALL BUYER'S LIABILITY FOR ANY BREACH OR ALLEGED BREACH OF THIS AGREEMENT OR ANY PURCHASE ORDER EXCEED THE TOTAL PRICE SHOWN ON THE APPLICABLE PURCHASE ORDER, NOR SHALL BUYER BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY SUCH BREACH OR ALLEGED BREACH.
18. Advertising: Seller shall not advertise or publish in any manner the fact that Seller has contracted to furnish Buyer with the Goods without first obtaining the written consent of Buyer.
19. No Assignment: Seller may not assign this Agreement, in whole or in part, without Buyer's prior written consent.
20. Remedies and Waiver: The remedies provided in this Agreement shall be cumulative and additional to any remedies provided in law or equity. No waiver of a breach of any term shall constitute a waiver of any other breach.
21. Survival: In addition to any other term whose context may so require, the terms contained in Sections 7, 9, 12, 13, 15, 17, 18, 20, 21, 22 and 23 shall survive any termination of this Agreement.
22. Interpretation of Agreement: In interpreting this Agreement, all terms shall be reasonably construed in a manner so as to render them valid and enforceable. The invalidity of any term of this Agreement shall not invalidate the entire Agreement. This Agreement may only be modified or amended in a written document signed by authorized representatives of both parties. The terms on Buyer's purchase order(s) shall control over any conflicting terms in this Agreement. Section headings are included in this Agreement merely for convenience of reference; they are not to be considered part of this Agreement or used in the interpretation of this Agreement.
23. Choice of Language: It is by the express intention of the parties hereto that the present Agreement and all its related documents be drafted in English. *Il est de l'intention expresse des parties à la présente Convention (connaissance, bon de commande, bon de conditionnement ou facture) et tout document s'y rattachant soient écrit en langue anglaise.*
24. Governing Law and Dispute Resolution: The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. This Agreement and all purchase orders shall be construed under the laws of the local jurisdiction of Buyer's headquarters and all disputes related to this Agreement and/or any purchase order shall be exclusively resolved by the courts located in such jurisdiction. Seller waives any right it may have to object to the venue of such courts.