

**WORLD CLASS INDUSTRIES IL INC.**  
**STANDARD PURCHASE ORDER TERMS AND CONDITIONS**

Effective Date: June 28, 2021

1. **Definitions.** As used herein, the following terms have the meanings indicated:
- a. “**Affiliate**” means any entity that controls, is under common control with, or is controlled by either party, where “control” means the ownership, direct or indirect, of a majority of an entity’s equity or some other interest entitling or otherwise allowing the owner to direct the affairs of such entity, specifically including without limitation, any and all subsidiaries and affiliates of which either party owns, directly or indirectly, fifty percent (50%) or more of the voting securities, or less than fifty percent (50%) in countries that prohibit majority foreign ownership, provided that the party has voting control of such entity.
  - b. “**Buyer**” means World Class Industries IL Inc. referencing these Terms and Conditions in its Purchase Order.
  - c. “**Item(s)**” means goods and/or services ordered by Buyer from Seller pursuant to a Purchase Order.
  - d. “**Purchase Order**” means a transmission by Buyer to Seller electronically through a computer network or otherwise, by mail of hard copy, or by such other means as may be agreed (each a “Transmission”), containing a purchase order number, supplier code number, Item number, price, identification or specification number, engineering change number or material code number and/or such other information evidencing an offer to Seller by Buyer relating to the purchase of Items.
  - e. “**Purchase Order Release**” means a Transmission specifying quantities and shipping or delivery dates.
  - f. “**Purchase Order Revision**” means a Transmission revising the information contained in a Purchase Order.
  - g. “**Resources**” means access to or use of computer software and hardware, data processing equipment, and other resources provided by or on behalf of Buyer.
  - h. “**Seller**” means the entity indicated as Supplier on the Purchase Order.
2. **Acceptance of Purchase Order.** Any Purchase Order referencing these Terms and Conditions is an offer to Seller by Buyer to enter into the purchase agreement described by such Purchase Order. These Terms and Conditions along with any other specifications or requirements transmitted to Seller by Buyer in connection therewith and the terms of any signed written agreement between Buyer and Seller regarding Items shall be the complete and exclusive statement of such agreement. The contents of any such signed written agreement shall take precedence over these Terms and Conditions unless otherwise specified in such signed written agreement. Seller shall be deemed to have agreed to the Purchase Order (including any specifications or requirements stated therein) and these Terms and Conditions when Seller:
- a. executes and returns a signed writing indicating its intent to be bound by the Purchase Order; or
  - b. delivers to Buyer any of the Items ordered; or
  - c. renders for Buyer any of the services ordered (where Items ordered are, or include, services).
- Any Items received by Buyer shall only be upon the terms of the Purchase Order (including these Terms and Conditions), notwithstanding any terms contained in any quotation, acknowledgment, invoice, or other document issued by Seller, or Buyer’s act of accepting or paying for any shipment or any other act. Seller’s acceptance of any Purchase Order is unqualified, unconditional and subject only to these Terms and Conditions and any of Buyer’s terms specifically set forth on the Purchase Order or any signed documents referenced in Buyer’s Purchase Order. Buyer expressly rejects any additional or different terms and conditions, including those which appear in any quotation, acceptance, shipping documentation, invoice or acknowledgment of Seller. Seller may not assert, as a defense to the enforcement of these Terms and Conditions any conditions or limitations made in a quotation, acceptance, shipping documentation, invoice or acknowledgement. Upon Seller’s acceptance of the applicable Purchase Order, these Terms and Conditions shall enter into force and constitute the entire agreement between Buyer and Seller. Seller waives signed acceptance of the Purchase Order by Buyer. Seller waives any right to contest the validity of these Terms and Conditions, or assert that they are void for any reason, upon Seller’s acceptance of the Purchase Order(s) referencing these Terms and Conditions.
3. **Entire Agreement.** No agreement or understanding to modify or supplement any Purchase Order or these Terms and Conditions shall be binding upon Buyer unless in writing and signed by Buyer’s authorized agent which writing must specifically acknowledge that these Terms and Conditions are superseded by such agreement or understanding. Any modifications proposed by Seller are not part of the agreement absent such written agreement. However, all specifications, drawings, and data submitted to Seller by Buyer in connection with any Purchase Order are a part of the agreement of the parties relating to that Purchase Order. No remedy herein provided shall be deemed exclusive of any other remedy allowed by law or equity.
4. **Quantities; No Quantity Guarantee.** Unless quantities and shipping schedules are specified, Buyer makes no representations or guarantees as to the quantity of Items it will purchase from Seller, and Purchase Orders are issued to cover the purchases of Items described thereon for an indefinite period or until canceled, with shipping schedules and quantities to be determined by Buyer and indicated to Seller via a Purchase Order Release. All forecasts or other estimates of quantities or requirements for Item(s) provided to Seller by Buyer shall be non-binding on Buyer, and Seller

acknowledges that it shall not be entitled to and shall not rely on such forecasts or estimates as binding commitments unless they are expressly stated as such by Buyer in writing.

**5. Termination.** Buyer may at any time terminate, cancel or suspend all or any part of undelivered Items or quantities on any outstanding Purchase Order, Purchase Order Revision or Purchase Order Release. Seller agrees that its sole remedy as a consequence of any such termination or cancellation is the reimbursement by Buyer of the reasonable costs of materials and labor actually and directly incurred by Seller on Items terminated or canceled by Buyer prior to Seller's knowledge of such termination or cancellation. Seller further agrees to take all steps reasonably possible to mitigate such charges. Seller may only terminate a Purchase Order or Purchase Order Release after giving Buyer reasonable notice of such termination and an opportunity to identify and set up an alternate supplier.

**6. Shipping Instructions.**

- a. **Freight and Delivery.** Shipping will be as directed by Buyer on the Purchase Order, Purchase Order Release, or Purchase Order Revision or if not specified shall be FCA Seller City INCOTERMS 2020. If a carrier or method of shipment is used that is not specified in the Purchase Order, a Purchase Order Release, a Purchase Order Revision or in these Terms and Conditions without the advance written approval of Buyer, Seller shall be debited for any increase in the cost of the shipment. Seller shall maintain inventory adequate to meet Buyer's shipping instructions. Seller shall be responsible for any special freight charges or Cost-to-Cover Charges incurred to meet requirements of a Purchase Order Release. In addition to any of the special freight charges or Cost-to-Cover Charges, Buyer may charge Seller for other costs of untimely or inaccurate delivery. Seller shall accept any such charges from Buyer; provided, however, that Seller may request reconsideration of any such charges by submitting a written request to Buyer within sixty (60) days after receipt of the charges, setting forth the reasons and details supporting reconsideration. After consultation with Seller, Buyer shall have sole discretion to determine whether the charges are appropriate and shall inform Seller of Buyer's decision within a reasonable time thereafter. This Section does not limit any other remedies that may be available to Buyer under these Terms and Conditions or at law.
- b. **Packaging; Classification; Labeling.** If Buyer has provided Seller with a copy of Buyer's Materials Standard Practice No. 20, Seller must label the outside of all packages utilizing bar code labels in Buyer's AIAG format as described therein. Seller shall ensure that all Items are properly described, classified, packaged, marked and labeled and are in proper condition for transportation according to applicable regulations, including but not limited to, U.S. Department of Transportation, International Air Transport Association and the International Maritime Dangerous Goods Code regulations ("IMDG Code"). As part of the price of the Items, Seller shall provide the Items in the packaging required by Buyer in the specification or Purchase Order, or as otherwise provided to Seller in writing. Packaging for service Items will often be different than packaging for first fit Items that Buyer uses in production of its products, and Buyer may require service Items to be packaged so they are ready for shipment to customers. Seller shall indemnify Buyer for all costs resulting from its failure to meet Buyer's specified packaging requirements. Such packaging shall be of a quality and type as specified by Buyer. Seller shall only use such packaging for Buyer and not for any other purpose. At Buyer's direction, Seller shall return or destroy such packaging at its expense.
- c. **Packing Slips.** Seller shall include the packing slip in a waterproof envelope secured to a package on all shipments. The packing slip must show the Purchase Order No., Supplier Code, Item No., Quantity, Identification or Specification No. and Engineering Change No. or Material Code exactly as shown on the Purchase Order.
- d. **Shipping Notices.** Seller shall send Buyer appropriate separate notice of shipment, including the same information that is contained on the packing slip plus all information relating to shipment date and handling.
- e. **Bills of Lading.** Seller shall include the Purchase Order No. and the Supplier Code on all bills of lading.
- f. **Early Shipments; Overshipments.** On shipments made earlier than the period specified on the Purchase Order, Buyer, at its option, may return the Items at Seller's expense and/or withhold payment until the otherwise applicable payment date. Buyer may return overshipments to Seller at Seller's expense. In either case, if Buyer so returns Items, Seller's account shall be debited for the total amount of any invoices (including, but not limited to, shipping expenses and taxes) paid thereon.
- g. **Shipments of Hazardous Materials.** "Hazardous Materials" are defined for purposes of these Terms and Conditions as any substances regulated as contaminants, or as threats or potential threats to human health, safety or the environment, by any Environmental Requirements (as herein defined). In addition to Sections 6(a)-(f), Seller must comply with the following requirements for shipment of Hazardous Materials:
  - (1) The shipping term, risk of loss and title transfer shall be DDP Buyer's receiving facility INCOTERMS 2020.
  - (2) Seller shall ensure that all personnel shall receive hazardous materials training as required by applicable regulations. Seller shall further ensure that a valid 24-hour emergency response number (domestic and international) is supplied on the shipping documents for Hazardous Materials and that the appropriate safety data sheet ("SDS") has been given to the proper emergency response organization prior to shipment. Seller shall be shown as the "shipper" on all documents relating to the shipment of any Hazardous Materials provided under the Purchase Order. Buyer is not to be shown as the "shipper" on any such documents.
  - (3) Seller may use Buyer designated carriers for the shipment of Hazardous Materials provided that all the conditions in this Section are met. Seller must use the "Buyer Straight Bill of Lading for Hazardous Material Shipments" for all shipments to non-World Class Industries IL facilities.

The following fields must be completed on the bill of lading form: Fac., Dk. and Acct. Distribution. Questions regarding this information should be directed to the Buyer's purchasing representative.

- (4) Hazard Communication. For all Items, Seller shall provide Buyer with the appropriate hazard classifications and warning messages that should appear on product labels as required by Environmental Requirements, the Hazard Communication Standard ("HCS"), the Globally Harmonized System of Classification and Labeling of Chemicals ("GHS"), and other laws and regulations of the United States and non-United States jurisdictions in which such Items will be distributed. Seller shall develop, revise, update and transmit an electronic copy of the current (prepared or revised not more than three years prior to the date of the relevant Purchase Order) SDSs for all Items purchased, in the appropriate language and format that may be required by the laws of the jurisdictions in which the Items will be distributed. When applicable, Seller shall format such SDSs and labels to identify the Item as a World Class Industries-branded product. "Environmental Requirements" means all United States and foreign (non-United States) federal, state, provincial, or local laws, regulations, ordinances, orders, or other pronouncements now in effect or as hereafter amended, that have the force or effect of law, relating to human health or safety and the protection, preservation, or remediation of the environment, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., the Clean Water Act, 33 U.S.C. Section 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., the Federal Hazardous Substances Act, 15 U.S.C. Section 1261 et seq., and the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11011 et seq.
- (5) Seller shall comply with all laws administered by the U.S. Department of Transportation ("USDOT"), and USDOT and United Nations/North America (UN/NA) rules and regulations, including but not limited to the U.S. Federal Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq., the UN/NA 1993 regulation regarding flammable liquids, international regulations issued by the International Civil Aviation Organization (ICAO Technical Instructions), and the IMDG Code, that regulate the transportation of Hazardous Materials and apply to transportation of the Items while under Seller's possession or reasonable control.

**7. Warranty.** Seller, in addition to any express or implied warranties of additional scope given to Buyer by Seller or implied by law, hereby warrants that Items furnished by Seller will be in full conformity with Buyer's instructions, specifications, drawings, and data, and Seller's samples or representations, and will be free from defects in design (to the extent that Seller furnishes the design), materials and workmanship. Unless otherwise specified in writing, Seller's warranty shall run concurrently with Buyer's standard warranty periods ("Item Warranty Period"). Seller acknowledges that Buyer's warranty periods for Buyer's machines or equipment are subject to change during the term of the applicable Purchase Order, and the Item Warranty Period shall be adjusted in accordance with any changes in the corresponding warranty period for Buyer's machines or equipment. Seller may not change Items or any specifications, engineering processes, major manufacturing equipment, materials or design without the prior written consent of Buyer. Any development of new Item(s) shall follow Buyer's NPI and Advanced Product Quality Planning (APQP) processes as defined in Buyer's Supplier Quality Manual. To the extent that the Items include services to Buyer, Seller warrants that it is properly licensed, certified, and trained (in compliance with the applicable standards set forth by relevant governmental or industry association authorities), and that such services will be provided with a degree of care and competence that, at minimum, accords with customary industry standards and practice. Seller agrees that this warranty shall survive acceptance of the Items. Seller shall be responsible for every claim for compensation in respect of damage or injury that is based on a breach of the foregoing warranty, and, at Buyer's option, Seller shall handle any such claims or shall provide all reasonable assistance to Buyer in Buyer's handling of such claims.

**a. Significant Failures.** Notwithstanding the foregoing, in the event of significant failures of an Item to comply with the Seller's warranty without regard to the Item Warranty Period (including without limitation, Item recalls, multiple field failures, latent defects, continuous product improvement projects, or any other failures of an Item to comply with the Seller's warranty that might cause significant or ongoing harm to Buyer's customers), Buyer shall be entitled to debit Seller for one hundred percent (100%) of the total actual and estimated costs incurred by Buyer related to such failures that Buyer has determined are attributable to Seller (where Buyer owns the design, failures solely attributable to design defects shall not be attributable to Seller unless such defects are attributable to services of Seller). Prior to debiting such amount, Buyer shall provide Seller an explanation of the amount Buyer intends to debit Seller and the basis for its conclusion that such failures are attributable to Seller. Upon completion of any investigation into the root cause of such failures, Buyer and Seller shall compare the actual costs incurred by Buyer and the amount Buyer debited Seller related to such failures, and shall make any needed adjustments (i.e., a debit or credit) based on the difference between such actual costs and the debited amount such that Buyer recovers all, but not more than all, of the costs it incurred related to such failures.

**b. Return and Review of Item.**

- (1) **Return of Item.** Seller shall have the option to request return of the Item if such Item is obtainable by Buyer, in accordance with Buyer's then current part return process between Buyer and its dealers. All shipping expenses for returning such Item shall be paid by Seller.
- (2) **Analysis of Returned Item.** If Seller requires analysis of Returned Item, Seller shall have the option, at Seller's sole expense, to arrange for shipment of such Returned Item to Seller's designated location. Buyer shall ship Returned Item to Seller's designated review location at a frequency of not more than once per month.
- (3) **Failure Analysis Report.** Seller shall provide a failure analysis report to Buyer for all Returned Item within fifteen (15) days after Seller's review of the Returned Item. If Seller fails to provide to Buyer pursuant to the timeframes provided herein the failure analysis report(s) described in this subsection within such fifteen (15) day period, Buyer shall be entitled to debit Seller for one hundred percent (100%) of the total warranty costs for such Item, without regard to the Warranty Amount.

**c. Disposition of Returned Item.**

- (1) **Seller's Ownership of Returned Item.** Returned Item shall become the property of Seller upon satisfaction and full payment of any outstanding Warranty Amount. Seller shall not reuse, repair, or resell Returned Item without Buyer's prior written approval.
- (2) **Buyer's Ownership of Returned Item.** If it is determined that Buyer is responsible for the failure of any Returned Item, or if the Returned Item is a core used in Buyer's remanufacturing operations, such Returned Item shall remain the property of Buyer. If such determination is made after the Returned Item is shipped to Seller, Seller shall, at Buyer's request and sole expense, return such Returned Item to Buyer's designated location.

**8. Limitation on Liability.** In no event shall Buyer be liable to Seller for incidental or consequential damages, or damages for lost profits, including but not limited to compensation, reimbursement or damages on account of lost profits on sales or anticipated sales by Seller, or on account of investments or commitments made in connection with a Purchase Order, or in connection with the establishment, development or maintenance of the business or goodwill of Seller.

**9. Product Regulations.** The term "Product Regulations," as used in these Terms and Conditions, shall mean Environmental Requirements, labeling, marking, license, authorization, certification, country of origin, hazard communication, and other United States, non-United States, and international entity regulatory requirements applicable to the import, export, manufacture, sale, or distribution of Items pursuant to Purchase Order(s). Such Product Regulations specifically include, but are not limited to, California Health & Safety Code Section 25249.5 et seq. ("Proposition 65"), Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, European Union ("EU") European Conformity ("CE") marking requirements (including the declaration of conformity, Technical Construction File and user's manual), and the following EU Directives and Regulations: Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"); Restriction of the use of certain Hazardous Substances ("RoHS"); Machinery Directive; General Product Safety Directive; Directive on Noise Emissions; Directive on Classification, Packaging and Labeling of Dangerous Substances; Limitations Directive (applying to carcinogenic lubricating oils); Directive on Waste Electrical and Electronic Equipment ("WEEE"); Directive on Classification, Packaging and Labeling of Dangerous Preparations; Construction Products Directive; Battery Directive; and Gas Appliance Directive. Seller is solely responsible for the compliance of the Items with all applicable Product Regulations. Seller agrees to provide to Buyer all information and documentation, including but not limited to product material data and supply chain data (for example, Seller must provide information on behalf of any downstream supply chain) necessary for Buyer to comply with all applicable Product Regulations in a timely fashion and well in advance of any applicable deadline necessary for Buyer to comply with applicable Product Regulations. Seller also agrees to provide this information and documentation by any additional deadline established as part of a specific request by Buyer, absent written agreement by Buyer to an alternate time frame.

On an annual basis or more frequently if requested by Buyer, Seller shall disclose to Buyer any Items Seller delivered to Buyer that contain tin, tantalum, tungsten, gold, or other materials that may be designated as a conflict mineral by the U.S. government ("Conflict Minerals"). Seller shall have a supply chain policy for Conflict Minerals and shall undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into Items it provides Buyer; (2) due diligence of its supply chain, as necessary, to determine (i) if Conflict Minerals incorporated into Items it provides Buyer are sourced from the Democratic Republic of the Congo or adjoining countries and if so, (ii) whether such Conflict Minerals directly or indirectly support

conflict in these countries, and (3) risk assessment and mitigation actions as may be necessary to implement the reasonable country of origin inquiry and due diligence procedures. Seller agrees to provide to Buyer all supporting information and documentation substantially in the format requested by Buyer, including, but not limited to, supply chain data necessary or desirable for Buyer to comply with its obligations under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations. All such supporting information and documentation shall be retained by Seller for a minimum of five years and be subject to audit by Buyer upon reasonable notice. Seller shall include the substance of this Section 9 in all subcontracts awarded by Seller for work under this Purchase Order.

**10. Inspection.** Items are subject to Buyer's inspection, testing and approval. Buyer, at its option, may reject or refuse acceptance of Items that do not meet the requirements of the Purchase Order or any applicable warranty. Items rejected or not accepted by Buyer shall be returned to Seller at Seller's expense, and Seller agrees to refund to Buyer any payments (including, but not limited to, shipping expenses and taxes) made by Buyer for such Items. Payment by Buyer for any Items shall not be deemed an acceptance thereof. Acceptance of any Item shall not relieve Seller from any of its obligations, representations or warranties hereunder or pursuant hereto.

**11. Work in Process; Quality Program; Cost of Poor Quality; Capacity.** Buyer shall have the right, at any reasonable time or times, to inspect materials, work in process, finished Items and parts, and records relating thereto, at any facilities at which Items are manufactured or such records are kept. Buyer assumes no responsibility and waives no rights as a result of any such inspection.

Seller shall maintain a quality assurance program satisfactory to Buyer to ensure that Items consistently satisfy Buyer's quality requirements. Seller agrees to periodically review with World Class Industries the potential for product or manufacturing improvements. Items shall meet and be delivered in accordance with Buyer's technical, quality, reliability, and other specifications as communicated from time to time by Buyer including without limitation, via a Purchase Order or Purchase Order Release, Buyer's Supplier Quality Manual, Item prints or specifications, or otherwise. Seller shall maintain a quality plan that complies with Buyer's Supplier Quality Manual, the current version of which is available on Buyer's supplier portal, access to which Seller acknowledges having been provided. Should Seller fail to timely or accurately deliver Item(s) (i) in accordance with the Purchase Order Release; or (ii) that meets such technical, quality, reliability, and other specifications or should it become apparent that Seller will not be able to do so, in addition to any other rights and remedies Buyer may have under an applicable Purchase Order or provided by law, Buyer may purchase replacement product on the open market and Seller shall pay Buyer any amounts incurred in excess of those which would have been incurred had Seller timely delivered Item(s) ("Cost-to-Cover Charges").

Prior to commencement of the Item Warranty Period, when Item(s) do not conform to Buyer's specifications, designs, drawings, or requirements, Buyer may charge Seller for costs of poor quality, as may be modified from time to time by Buyer, in accordance with Buyer's Cost of Poor Quality program ("COPQ") and Manufacturing Practice MQ4007 or their functional equivalents. Buyer shall reasonably determine the charges and inform Seller. Buyer may debit Seller for such COPQ charges. Seller shall accept any such charges from Buyer; provided, however, that Seller may request reconsideration of any such charges by submitting a written request to Buyer within sixty (60) days after receipt of the charges, setting forth the reasons and details supporting reconsideration. After consultation with Seller, Buyer shall have sole discretion to determine whether the charges are appropriate and shall inform Seller of Buyer's decision within a reasonable time thereafter. This Section does not limit any other remedies that may be available to Buyer in these Terms and Conditions or at law.

Seller shall maintain sufficient production capacity to ensure that Buyer's firm orders for Items are promptly and regularly filled. Additional to Seller's obligations in the previous sentence, Seller shall maintain capacity plans and Seller shall notify Buyer immediately in writing if it does not have sufficient capacity. Seller's capacity may be audited by Buyer.

**12. Price, Payment Terms and Invoices.** Seller represents that the price charged to Buyer for Items is at least as low as the price charged by Seller to buyers of a class similar to Buyer under conditions similar to those specified in the Purchase Order and that prices comply with applicable government laws and regulations in effect at time of quotation, sale and delivery. Seller agrees that any price reduction regarding any Items that is implemented prior to shipment or rendering of such Items shall be applied to the Purchase Order for all shipments or rendering of Items following such price reduction. Buyer may withhold payment until proof of the absence of any liens or encumbrances on the Items is given to Buyer, upon Buyer's request. Further, in addition to any other rights or remedies available to Buyer, Buyer may withhold any payment for non-delivery of Items, or delivery of nonconforming or poor quality Items by Seller, its subcontractors or its agents.

Unless otherwise specified thereon, prices quoted on any Purchase Order or Purchase Order Revision include any and all charges for the Items ordered (including but not limited to, any charges for boxing, packing, crating, cartage, taxes or other additional charges). If the price or quantity on Seller's invoice does not match the price on Buyer's corresponding Purchase Order, then no payment of such invoice shall be due Seller until the discrepancy is resolved.

Seller hereby waives any applicable lien over the Items, whether such Items are being supplied to Buyer or Buyer's subcontractors.

Seller's invoices shall comply with Buyer's invoicing instructions. Seller shall include on invoices the same information that is required on Packing Slips, and, unless otherwise instructed on a Purchase Order, shall send such invoices in an electronic format specified by Buyer and to the electronic location provided by Buyer to Seller. Prices contained in a Purchase Order are exclusive of all taxes, including VAT (as defined below). In the event that any Items supplied by Seller pursuant to a Purchase Order are properly subject to VAT, and where Buyer has agreed in writing to pay such VAT, Buyer shall, in addition to the price payable for any Items, pay to Seller the appropriate amount of VAT provided that Seller has first issued to Buyer a compliant invoice in accordance with the provisions of the relevant VAT legislation. Where Buyer has agreed in writing to pay any taxes relating to any Purchase Order, applicable taxes shall be listed separately on the invoice. "VAT" means value added tax or goods and services tax or any other similar transaction tax, but not U.S. sales and use tax. Invoices for Items shall be paid thirty (30) days from the date of receipt of the invoice or receipt of Items, whichever is later. Buyer reserves the right to require Sellers to submit invoices electronically. Moreover, Buyer reserves the right to make payment to Seller electronically. Sellers shall submit invoices on a timely basis after Items are delivered. Any invoices submitted after sixty (60) days will not be accepted.

**13. Resale Certification.** If a Purchase Order is marked "Resale," Buyer certifies that Items purchased thereunder are purchased for purpose of resale.

**14. Property Furnished to Seller by Buyer.** Except as specified below, all patterns, dies, molds, tools, models, jigs, core boxes, piece parts, samples, materials, drawings, specifications, test reports, technical material, advertising material, and any other personal property furnished to Seller by Buyer, or specifically paid for by Buyer for use in performance of a Purchase Order (collectively "Materials"), shall be and remain the property of Buyer, shall be subject to disposition according to Buyer's instruction, and shall be used only in filling orders from Buyer. Title to and full ownership of the Materials shall remain with Buyer at all times. Seller shall not claim any rights of ownership in any of the Materials and shall not mortgage, encumber, transfer, dispose of, remove or allow the removal of any of the Materials from Seller's facility to which such Materials are initially delivered, except as permitted or instructed by Buyer in writing. Seller shall take all necessary precautions and actions to preserve and maintain the Materials in good working condition. Seller shall perform any further act and execute, acknowledge, and deliver any further documents that Buyer may reasonably request in order to protect Buyer's title to the Materials. Seller shall at all times clearly identify the Materials as the property of Buyer by labeling the Materials with distinctive markings, and to the extent reasonable, shall keep the same separate and apart from the property of others, including Seller, located in the same facility. Seller shall bear the risk of any damage to or loss of such Materials while in the possession of or under the control of Seller or Seller's agents. Any waste materials or byproducts generated by or resulting from operations on, use of or processing of Materials furnished to Seller by Buyer shall be and remain the property of Seller, and Buyer shall have no responsibility in connection therewith.

Buyer may issue separate Purchase Orders for tooling or other property furnished by Buyer to Seller that is needed to manufacture Item(s). As requested by Buyer, Seller shall execute a tooling bailment agreement covering property furnished to Seller by Buyer. Any such tooling or other property shall conform to Buyer's APQP requirements.

Any Materials furnished to Seller by Buyer for use in connection with a Purchase Order are provided in AS-IS condition, and Buyer makes no representations or warranties of any kind, including warranties relating to the condition of such Materials or their suitability for the purposes required by Seller. BUYER DISCLAIMS ANY AND ALL WARRANTIES ASSOCIATED WITH SUCH MATERIALS, INCLUDING, BUT NOT LIMITED TO, EXPRESS OR IMPLIED WARRANTIES, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**15. Intellectual Property and Confidential Information.** (a) Seller and Buyer will, from time to time, use and/or disclose information such as designs, specifications, ideas, concepts, inventions, works of authorship, plans, formulas, drawings, CAD models, software (including but not limited to embedded software), procedures, business processes, manufacturing processes, part lists, assembly instructions, know-how, organizational information, data, systems, customer lists, supplier lists, financial information, documents, tooling, prototypes, products, samples, assemblies and other technical or business information (collectively "Information"). "Buyer Confidential Information" means any and all Information (1) that Buyer or an Affiliate thereof considers confidential or proprietary, or (2) that is obtained or created by either party in fulfillment of obligations under these Terms and Conditions. "Intellectual Property" means any and all Information that may be patentable, copyrightable, or susceptible to any other form of statutory, contractual or common law legal protection. As used herein, "Intellectual Property" does not include trademarks, service marks, trade dress, and other corporate designations, identifiers or logos, and rights therein (collectively "Trademarks").

(b) Buyer and/or its Affiliates holds rights in all Intellectual Property disclosed by Buyer or an Affiliate thereof to Seller or an Affiliate thereof (collectively "Buyer Intellectual Property"). All Buyer Intellectual Property is Buyer Confidential Information. Seller shall take all necessary steps to protect Buyer Confidential Information with at least the same degree of care that Seller uses to protect its own confidential information of like kind, but in no event less than reasonable care. The obligation of confidentiality hereunder shall not apply to Information that: (1) can be demonstrated by contemporaneous written evidence to have already been in Seller's possession, without restriction on its use or disclosure, before being received from Buyer or an Affiliate thereof, (2) is or becomes available to the general public through no act or fault of Seller, or (3) is rightfully disclosed to Seller by a third party without restriction on its use or disclosure. Seller will not disclose any Buyer Confidential Information to any third party except: (I) to conduct business with or on behalf of Buyer or its Affiliates; however, before such disclosure occurs, Seller shall first ensure that such third party has signed a written confidentiality agreement having terms at least as restrictive as the terms of this Section 15; or (II) if such information is required to be disclosed pursuant to judicial or governmental decree or order, provided that Buyer or an Affiliate thereof is given prompt notice of and the opportunity to defend against disclosure pursuant to such decree or order. Except as otherwise expressly set forth herein, Seller will not disclose any confidential information to Buyer or an Affiliate thereof unless Buyer or an Affiliate thereof first agrees in a signed writing to the receipt of such confidential information. Seller acknowledges that Buyer otherwise has no confidentiality obligations with respect to any Intellectual Property previously or hereafter disclosed by Seller to Buyer.

(c) Some Intellectual Property may be protected by patents, copyrights, trade secrets, industrial design rights, and/or other forms of statutory or common-law intellectual property protection, or through implied or express contractual rights (collectively "Intellectual Property Rights"). Buyer and/or its Affiliates own certain Intellectual Property Rights in Buyer Confidential Information and/or Buyer Intellectual Property (collectively "Buyer Intellectual Property Rights"). Buyer and/or its Affiliates will grant to Seller, and hereby grant to Seller, a limited, nonexclusive, revocable, and nontransferable license under Buyer Intellectual Property Rights to use Buyer Confidential Information and Buyer Intellectual Property solely to the extent necessary for Seller to produce and supply Items to Buyer and its Affiliates and/or as expressly approved in an advance signed writing by Buyer or an Affiliate thereof. Except as expressly set forth herein, Seller is not acquiring and will not acquire any right, title, or interest in or to any Buyer Intellectual Property Rights, including but not limited to any rights to sublicense Buyer Intellectual Property Rights to third parties. Except as otherwise expressly approved in an advance writing by Buyer, Seller will not (1) use, copy, reverse engineer, disclose, publish, distribute, disassemble, modify, or alter any Buyer Confidential Information or Buyer Intellectual Property for any purpose other than to conduct business with or on behalf of Buyer or its Affiliates; (2) grant access to any employee without a need thereof or to any third party except on prior written approval by Buyer or an Affiliate thereof; (3) sell or provide any products or services using, embodying, or including Buyer Confidential Information or Buyer Intellectual

Property to any person other than Buyer and its Affiliates without prior written approval from Buyer or an Affiliate thereof. At any time upon request by Buyer or an Affiliate thereof, Seller shall promptly return or destroy any media containing any Buyer Confidential Information and/or Buyer Intellectual Property.

(d) From time to time, Buyer may request financial statements from Seller and/or Affiliates of Seller. In particular, Buyer may request, and Seller and/or Affiliates of Seller will promptly provide, independently audited non-technical financial statements (income statement, balance sheet, and cash flow statement) for the previous two (2) fiscal years and interim financial statements through the current fiscal year-to-date period (collectively "Seller Financial Statements"). Buyer shall hold and safeguard Seller Financial Statements by using the same degree of care Buyer uses to protect its own information of like kind, provided, however, that Buyer may disclose Seller Financial Statements to a third party contracted to assist Buyer with analyzing Seller Financial Statements if such third party is obligated to maintain the confidentiality of Seller Financial Statements to the same extent Buyer is so obligated under this Section 15.

(e) Seller will provide an accurate and usable CAD model for each Item in a Pro/Engineer, Creo or CAD neutral format. Such models shall include (1) accurate, nominal exterior and interface dimensions, (2) mounting locations, (3) weight accurate to two percent (2%) of actual dry weight; and (4) a center of gravity with respect to a predefined coordinate system. If it is not commercially feasible for Seller to include such information in its models, Seller may provide the above information to Buyer instead of embedding the information into its models.

(f) In the course of performing work under a Purchase Order or other written agreement, or in response to receiving Information or a request from Buyer or an Affiliate thereof, Seller might develop new Information and/or Intellectual Property, such as, by way of example and not by way of limitation, a new product or a new modification of an existing Buyer or Seller product (collectively "Purchase Order Intellectual Property"). Further, Seller might use or incorporate Information and/or Intellectual Property in products or services provided to Buyer that is not Purchase Order Intellectual Property (collectively "Seller Background Intellectual Property"). Seller will assign to Buyer, and hereby does assign to Buyer, all right, title and interest held by Seller in all Purchase Order Intellectual Property and all Intellectual Property Rights protecting Purchase Order Intellectual Property, except to the extent that such Intellectual Property Rights protect Seller Background Intellectual Property (collectively "Seller Background Intellectual Property Rights"). Seller will grant to Buyer and its Affiliates, and hereby does grant to Buyer and its Affiliates, a perpetual, worldwide, fully paid-up, royalty-free, irrevocable, transferable, nonexclusive license under the Seller Background Intellectual Property Rights (1) to use, offer to sell, sell, export, import, disclose to third parties, repair, reconstruct, remanufacture and rebuild (but not make or have made) all products and services using or incorporating Seller Background Intellectual Property, (2) to reproduce, distribute, prepare derivative works based upon, publicly perform, and publicly display all works of authorship within products and services using or incorporating Seller Background Intellectual Property, and (3) to sublicense any third parties to engage in any activities set forth in subsection (1) or (2) of this Section 15(f). Seller hereby waives all moral rights in Seller Background Intellectual Property. In accordance with Purchase Orders and/or as otherwise requested by Buyer (or an Affiliate thereof), Seller will provide to Buyer all Purchase Order Intellectual Property and Seller Background Intellectual Property and all supporting or explanatory materials therefor, and will execute any other or further documentation relating to Purchase Order Intellectual Property or Intellectual Property Rights therein, Seller Background Intellectual Property, or Seller Background Intellectual Property Rights that Buyer, in its sole discretion, deems necessary for Buyer to receive the full benefit of the rights granted to Buyer in this Section 15. Nothing contained in these Terms and Conditions prohibits Seller and its Affiliates from using any of their general knowledge (including Seller Background Intellectual Property) to provide similar products or services to others; however, Seller represents and warrants that in providing products and services to others, Seller will not use any Buyer Confidential Information or Buyer Intellectual Property.

(g) Notwithstanding anything contained herein to the contrary, Buyer will own all Information, Intellectual Property and Intellectual Property Rights developed and/or obtained by Seller or its Affiliates that derive from or incorporate any Buyer Confidential Information and/or Buyer Intellectual Property. Seller will promptly disclose and assign to Buyer, and hereby does assign to Buyer, all right, title and interest held by Seller in such Information, Intellectual Property and Intellectual Property Rights. Further, Seller shall execute, or cause to be executed, at Buyer's expense, all applications, assignments, or other instruments that Buyer may deem necessary in connection with such Information, Intellectual Property and/or Intellectual Property Rights.

(h) In each subcontract of Seller's work performed pursuant to a Purchase Order, Seller shall obtain for Buyer all of the rights and licenses granted to Buyer under this Section 15, including any and all rights needed from Affiliates of Seller.

(i) To the extent that any Items and/or any Purchase Order Intellectual Property therein includes, or was developed through the use of, any software that is distributed as free software, open source software or under similar licensing or distribution models, or under any licensing or distribution model that requires that the software or any related software (1) be disclosed, distributed or made available in source code form, or (2) be licensed under the terms of any open source software license, including any license listed by the Open Source Initiative at [www.opensource.org](http://www.opensource.org) (collectively "Open Source Software"), Seller represents and warrants that Seller, its Affiliates and subcontractors (I) have not used any Open Source Software in such a way that (A) creates any obligations for Buyer or its Affiliates with respect to any Items, Buyer Confidential Information, Buyer Intellectual Property, Purchase Order Intellectual Property, and/or Intellectual Property Rights therein, (B) grants to any third party any rights to any Items, Buyer Confidential Information, Buyer Intellectual Property, Purchase Order Intellectual Property, and/or Intellectual Property Rights therein, or (C) otherwise has had or would reasonably be expected to have an adverse effect on Buyer or its Affiliates; (II) are in compliance with all terms and conditions of all relevant licenses for all Open Source Software included in or used during the development of the Items and/or Purchase Order Intellectual Property therein; and (III) will identify to Buyer, relative to all Open Source Software included in or used during the development of Items and/or Purchase Order Intellectual Property therein, (A) the name of the software, the names of the specific Items that include or were developed using the software, the online location of the source code of the software (i.e., the URL), and the license governing the software, (B) whether the software is distributed with the Items, and (C) how the software is linked (i.e., statically or dynamically). Seller further represents and warrants that all software delivered to Buyer and its Affiliates by Seller and its Affiliates will be free of viruses, malware, intentionally disabling code, "keys," "time-bombs," "time-locks," or other devices or defects that could interfere with the uninterrupted and unfettered use of the software.

(j) Seller represents and warrants that the Items and all Purchase Order Intellectual Property therein do not infringe on any Intellectual Property Rights or Trademarks of any third party, either alone or in combination with other Items or portions of the Purchase Order Intellectual Property, except and solely to the extent that such portions are specifically constructed in exact accordance with Buyer's designs or technical specifications. If any Items or Purchase Order Intellectual Property becomes the subject of an alleged infringement of any Intellectual Property Rights or Trademarks of any third party, Seller shall, at its expense and in the sole discretion of Buyer, either (1) procure for Buyer the right to engage in all commercial activities required by Buyer that involve such Items or Purchase Order Intellectual Property; (2) replace or modify such Items or Purchase Order Intellectual Property so they are non-infringing; provided, however, that such replaced or modified versions must provide equal or greater functionality than the original versions; or (3) if, after exhausting commercially reasonable efforts, Seller is unable to obtain either of the results in subsections (1) and (2) of this Section 15(j), refund Buyer's full purchase price. In addition, if any Item or Purchase Order Intellectual Property (including but not limited to any and all embedded software therein) becomes the subject of an alleged infringement of any Intellectual Property Rights or Trademarks of any third party, Seller shall indemnify, defend and hold harmless Buyer, Affiliates of Buyer, and the respective directors, officers, employees, shareholders, agents, successors, consultants and business invitees of Buyer and Affiliates of Buyer, from and against any and all claims and demands, liabilities, losses, damages, costs, enforcement procedures and expenses, of whatsoever nature (including costs, litigation expenses and counsel fees incurred in connection therewith) arising out of or relating to such alleged infringement. Seller further represents and warrants that Seller is authorized to grant all rights in Intellectual Property that Seller herein grants to Buyer.

(k) Unless otherwise authorized by Buyer in writing, Seller shall have no right to apply and further shall not apply to Items any Trademarks owned by Buyer, including without limitation World Class Industries the . Notwithstanding the foregoing, if Buyer grants written authority to apply any of Buyer's Trademarks to an Item, the drawing or print that accompanies the Purchase Order or other written authorization shall so state or shall specifically call out the 1E0198 specification. Seller agrees and acknowledges that it shall obtain all design artwork for Buyer's Trademarks from Buyer, that it will not recreate any design aspects of Buyer's Trademarks, and that it will correctly apply Buyer's Trademarks to an Item according to the 1E0198 specification. If Seller cannot correctly apply Buyer's Trademarks to an Item, it must reject the Purchase Order. Further, Seller shall only apply Buyer's Trademarks to those Items specifically referenced in the Purchase Order. Seller shall acquire no right whatsoever in Buyer's Trademarks, either express or implied, by estoppel or by implication, through its action in fulfilling a Purchase Order. In the event seller acquires any rights whatsoever in any of Buyer's Trademarks, Seller will promptly disclose and assign to Buyer, and hereby does assign to Buyer, all such right, title and interest held by Seller. Seller shall not apply Seller's Trademarks or any third party's Trademarks to any Items that are specifically designed for Buyer without Buyer's prior express written consent. Seller shall have no right to apply and further shall not apply any number, letter, symbol, or combination thereof that is affixed to, marked or printed on, or embedded or embossed in any Item or on packaging for any Item (hereinafter "Buyer's Part Numbers") to any other goods sold by Seller, any packaging for such other goods, or any drawings associated with such other goods. Notwithstanding the foregoing, if Buyer desires for any of Buyer's Part Numbers to be applied to an Item, the drawing or print that accompanies the Purchase Order shall so state. Alternatively, Seller may be separately authorized to apply any of Buyer's Part Numbers to an Item if such authorization is specifically set forth on the Purchase Order or otherwise authorized by Buyer in writing. Except as permitted in Buyer's Supplier Communication Guidelines or as otherwise authorized in a signed writing by Buyer, Seller may not disclose the existence of these Terms and Conditions or the fact that Seller has a commercial arrangement with Buyer as part of Seller's marketing or advertising.

**16. Indemnification.** Seller agrees to indemnify, defend and hold harmless Buyer, Buyer's Affiliates, and Buyer's and Buyer's Affiliates' respective directors, officers, employees, shareholders, agents, successors, assigns, consultants and business invitees from and against any and all claims and demands, suits liabilities, losses, damages, costs, enforcement procedures and expenses, of whatsoever nature (including costs, litigation expenses and counsel fees incurred in connection therewith) arising from, or in any way connected with:

- a. injury to, or death of, any person whatsoever or injury or damage to property of any kind by whomsoever owned, or the environment, arising out of or related to, directly or indirectly, performance under this Purchase Order;
- b. the performance or nonperformance by Seller, Seller's subcontractors or Seller's agents of any work which is the subject of the Purchase Order, including without limitation Seller's acts or omissions in connection with the performance of any services;
- c. Seller's non-compliance with Seller's obligations under any Purchase Order or these Terms and Conditions or any laws or regulations, including, without limitation, those applicable to the packaging, classification, labeling, training, handling and transportation of Hazardous Materials, whether such action is brought by a governmental agency or other person or entity, except to the extent that such claims result from Buyer's gross negligence or willful misconduct;
- d. Seller's noncompliance with Seller's obligations listed in Section 17(a) or any injury or illness to Buyer's employees, Seller's employees, Seller's subcontractors or agents, their respective employees, or any other person, caused by that noncompliance;
- e. any claim of defect in the Seller's design, materials, manufacture, sale or workmanship of Item or failure of Item to conform with Seller's and Buyer's specifications, drawings, and data;
- f. any recall caused by Items provided by Seller or its agents;
- g. Seller's breach of any representation, warranty or covenant in these Terms and Conditions or in any Purchase Order;



- h. Seller's acts or omissions:
  - (1) to comply with all export laws, including Export Administration Regulations, as amended, regulations administered by the U.S. Treasury Department Office of Foreign Assets Control, the International Traffic in Arms Regulations and the U.S. Foreign Corrupt Practices Act; or
  - (2) to satisfy Seller's obligations of cooperation with Export Control Information;
- i. Seller's obligations as an employer;
- j. the breach of or any inaccuracy in Seller's representations and warranties with respect to infringement;
- k. Seller's noncompliance with Environmental Requirements or Product Regulations; or
- l. the EU Product Liability Directive 1999/34/EC of the European Parliament and of the Council of May 10, 1999.

Buyer shall promptly give notice to Seller of any claim for which indemnification shall be sought ("Claim"), specifying in reasonable detail the factual basis for the Claim and, to the extent known, the amount of the Claim. Notwithstanding the foregoing, the failure by Buyer to provide timely notice of any Claim, or any delay in providing such notice, shall not affect or impair the obligations of Seller hereunder, except and only to the extent that Seller has been adversely affected by such failure or delay. Seller shall have the right at its own expense to participate in the defense of the Claim.

Seller shall not consent to the entry of any judgment or enter into any settlement of any Claim without Buyer's prior written consent.

If a claim covered by infringement indemnification has been made, Seller shall have the right to, at its option and expense, either: (i) obtain for Buyer the right to continue using the Item or deliverable or (ii) replace or modify the Item or deliverable so that such deliverable becomes non infringing; provided, however, that such replacement or modified Item or deliverable must provide equal or greater functionality than the replaced Item or deliverable. In the event that, after exhausting commercially reasonable efforts, Seller is unable to obtain either of the above two results, then Seller shall return all amounts paid by Buyer for Item in Buyer's inventory and shall return all amounts paid by Buyer for any infringing deliverable, including without limitation any fees associated with maintenance of and support for such deliverable(s).

**17. Safety and Insurance.**

- a. If Seller or its subcontractors or agents perform any work on Buyer's premises or use Buyer's property either on or away from Buyer's premises, Seller is expressly obligated to:
  - (1) Comply with and ensure all of its subcontractors and agents comply with all requirements of Buyer's third party pre-qualification process, including ongoing requirements, e.g., maintaining a satisfactory grade as defined in that program.
  - (2) Comply with and ensure all of its employees and its subcontractors and agents, and their respective employees comply with all Health and Safety Requirements (as herein defined). "Health and Safety Requirements" means all United States and foreign (non-United States) federal, state, provincial, or local laws, regulations, ordinances, orders, or other pronouncements now in effect or as hereafter amended, that have the force or effect of law, relating to human health and safety, including but not limited to all applicable OSHA regulations.
  - (3) Control the manner and methods of its operations to ensure the safety of its employees, its subcontractors, agents, delegates, invitees and their respective employees.
  - (4) Designate to Buyer an employee or representative to ensure ongoing compliance with Buyer's expectations under this section.
  - (5) Ensure that its employees and its subcontractors and agents, and their respective employees are adequately trained in all Health and Safety Requirements (as defined in item (2) above) applicable to the work being performed for Buyer, prior to commencement of that work.
  - (6) Ensure that its employees and its subcontractors and agents, and their respective employees know and are aware of all emergency response procedures and work-site hazards at the premises where work is performed, and use all required personal protective equipment.
  - (7) Arrange for and require its employees and its subcontractors and agents, and their respective employees to submit to pre-hire and post-accident drug and alcohol testing to the fullest extent allowable by applicable law.
  - (8) Cooperate with and ensure that its employees and its subcontractors and agents, and their respective employees who are involved cooperate with Buyer in all injury or incident or accident investigations and in responding to requests from OSHA or any other governmental authorities or agencies; complete post-accident investigations and take all steps necessary to improve workplace safety before work resumes.

- (9) Ensure that all Buyer facility-specific safety rules are strictly followed by its employees and its subcontractors and agents, and their respective employees, as set forth in such facility's Contractor Safety Manual, particularly, but not limited to those rules pertaining to aerial work, operation of motorized work vehicle within the facility, confined space, Hazardous Materials, hot work and lockout/tagout.

Seller acknowledges that failure to strictly comply with any one or more of the items (1) through (9), listed immediately above, can result in Buyer requiring Seller to remove one or more workers or Buyer terminating the Purchase Order or Purchase Order Release, without any liability of Buyer to Seller for Seller's costs or damages related to such termination.

- b. Seller and its subcontractors and agents, if any, at their sole cost, shall maintain insurance coverage as described below with insurance companies acceptable to Buyer. The limits set forth below are minimum limits and shall not be construed to limit Seller's liability. All cost and deductible amounts shall be for the sole account of Seller and its subcontractors and agents. All policies shall name Buyer as an additional insured per ISO Endorsement CG 2010 (or its equivalent, i.e., a company specific endorsement with the same wording as CG 2010 or a manuscript endorsement with the same wording as CG 2010) and waive subrogation rights in favor of Buyer. All policies required shall also be designated as primary coverage to any similar coverage carried by Buyer. For those Buyer facilities using a third party pre-qualification process, prior to the start of work on the premises, Seller shall submit copies of Certificates of Insurance, acceptable to Buyer to such third party. For all other Buyer facilities, Seller shall submit acceptable copies of Certificates of Insurance to the Business Manager of the premises or to the person so designated.

Category I suppliers:

- i. Worker's Compensation and Employers' Liability Insurance providing benefits as required by applicable law with a minimum limit of \$1,000,000 per occurrence or limits set by applicable law, whichever is greater;
- ii. Commercial General Liability Insurance (Occurrence Coverage) including products, completed operations, contractual liability coverage for indemnities contained in any Purchase Order or these Terms and Conditions and Seller's contingent liability for subcontractors and agents with a minimum combined single limit of liability of \$1,000,000 per occurrence for bodily injury or death and property damage;
- iii. Commercial Automobile Liability Insurance (Occurrence Coverage) for owned, non-owned, and hired automotive equipment with a minimum combined single limit of liability of \$1,000,000 for each occurrence for bodily injury and property damage; and
- iv. If the Items include design and/or engineering or other professional services, Seller shall maintain Errors or Omissions Liability and Professional Liability Insurance with a minimum limit of \$1,000,000 each occurrence, and any other specialty policies with appropriate coverage limits as requested by Buyer.

Category II suppliers:

- i. Worker's Compensation and Employers' Liability Insurance providing benefits as required by applicable law with a minimum limit of \$3,000,000 per occurrence or limits set by applicable law, whichever is greater. Alternatively, Seller may have a minimum limit of \$1,000,000 per occurrence, with umbrella/excess coverage of at least \$2,000,000 per occurrence;
- ii. Commercial General Liability Insurance (Occurrence Coverage) including products, completed operations, contractual liability coverage for indemnities contained in any Purchase Order or these Terms and Conditions and Seller's contingent liability for subcontractors and agents with a minimum combined single limit of liability of \$3,000,000 per occurrence for bodily injury or death and property damage. Alternatively, Seller may have a minimum limit of \$1,000,000 per occurrence, with umbrella/excess coverage of at least \$2,000,000 per occurrence;
- iii. Commercial Automobile Liability ("CAL") Insurance (Occurrence Coverage) for owned, non-owned, and hired automotive equipment with a minimum combined single limit of liability of \$1,000,000 for each occurrence for bodily injury and property damage; and
- iv. If the Items include design and/or engineering or other professional services, Seller shall maintain Errors or Omissions Liability and Professional Liability Insurance with a minimum limit of \$1,000,000 each occurrence, and any other specialty policies with appropriate coverage limits as requested by Buyer.
- v. If the Items include services at, or the provision of Hazardous Materials to, facilities or premises owned or operated by Buyer, Seller shall obtain Contractor's Pollution Liability ("CPL") or Pollution Legal Liability ("PLL") Insurance (Occurrence Coverage) providing coverage for pollution incidents, bodily injury, property damage (including cleanup of pollution conditions, releases and natural resource damages), and defense costs, against losses arising from on-site pollution conditions or releases at Buyer's facilities or premises, and pollution conditions or releases that affect areas or environmental media proximate to the relevant facilities or premises, resulting from Seller's acts or omissions, with minimum policy limits of liability of \$5,000,000 per occurrence and \$5,000,000 in the aggregate. Buyer may require

Seller to increase the aggregate policy limit on such CPL Insurance, if the Items may impact multiple Buyer facilities or premises. If Occurrence Coverage is not available for such CPL Insurance, Seller shall be required to obtain "Claims-Made" coverage, including an extended reporting period of no less than five (5) years. If such CPL policy does not contain an exclusion for transportation-related events or incidents, Seller's CPL Policy shall not be required to include the coverage described in subsection (vi), below. If Seller arranges for or provides transportation, off-site treatment, storage, recycling or disposal of Hazardous Materials, Seller's CPL Insurance shall also provide coverage for pollution conditions or releases occurring during owned or third-party transportation and pollution conditions or releases at any owned and non-owned disposal sites, naming Buyer as an additional insured and listing the disposal site as an insured location. Such CPL Insurance shall insure and apply exclusively to Items (including services) provided by Seller to Buyer, and Seller shall not make claims that erode or result in a reduction of the amounts of coverage for claims or losses unrelated to Seller's provision of the Items pursuant to the Purchase Order(s).

- vi. If the Items include services that involve or contemplate Seller's interstate transportation of Hazardous Materials, the CAL Insurance coverage shall have a minimum per-occurrence liability limit of \$5,000,000. The following insurance requirements shall also apply to any CAL Insurance required under this subsection: The CAL Insurance policy must include or incorporate a Supplemental Environmental Automobile Liability ("SEAL") policy or endorsement or provide equivalent coverage for environmental and/or pollution liability arising from spills or releases of Hazardous Materials while in transit. The CAL Insurance policy shall include a standard MCS-90 Endorsement amended to specifically limit the reimbursement provision of the MCS-90 Endorsement to the named insured and additional insured.
- vii. Category II Suppliers are defined as those who:
  - a. have heavy construction jobs, are involved with machinery or equipment installations, use "cherry pickers", boom cranes, other mobile/material handling equipment, ladders or scaffolds;
  - b. provide or perform any structural work (cement, steel, etc.), electrical work, welding, life safety work (fire alarms, sprinklers, etc.), or roofing work;
  - c. provide, transport or work with any combustibles, flammable materials or Hazardous Materials;
  - d. haul scrap, trash, or waste when vehicles must go to other than receiving docks;
  - e. program directly into Buyer's computer systems; or
  - f. provide health care services.
- c. Any policy of insurance covering Items, which include services to be performed under any Purchase Order or these Terms and Conditions, must be submitted by Seller and must be acceptable to Buyer.
- d. Insurers must have a minimum rating of AVII (A7) as evaluated by the most current A.M. Best Rating Guide. If the insurer has a rating less than AVII (A7), Seller must receive specific written approval from Buyer prior to proceeding.
- e. Each insurance policy required by a Purchase Order or these Terms and Conditions shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to Buyer. If Seller does not obtain insurance, or such insurance is canceled, Buyer has the right, but not the obligation, to obtain insurance coverage on behalf of Seller, at Seller's sole expense.
- f. Buyer shall not insure nor be responsible for any loss or damage to property of any kind brought onto Buyer's property or owned or leased by Seller or any subcontractors or agents, or its or their respective employees.
- g. Irrespective of these insurance requirements, the insolvency, bankruptcy, or failure of any insurance company, or its failure to pay a claim, does not waive any of these provisions. All the above-described policies, together with all other insurance policies now owned or purchased in the future shall contain provisions wherein the insurance companies shall have no right of recovery or subrogation against Buyer or Buyer's Affiliates, or their respective directors, officers, employees and agents.
- h. It is Seller's responsibility to determine the adequacy of any subcontractors' or agents' insurance and indemnification obligations.

**18. Compliance with Laws; Government Procurement.** Seller represents that it has read, understands, has complied, and during the performance of any Purchase Order shall continue to comply, with the provisions of all applicable laws, rules, regulations, directives, ordinances, orders, or statutes (collectively, the "Laws") from which liability may accrue to Buyer for any violation thereof, and including but not limited to, compliance with all wood packing regulations of the country of destination, Environmental Requirements, Product Regulations, the Fair Labor Standards Act of 1938, the U.S. Foreign Corrupt Practices Act and any applicable anti-bribery Laws of other countries, the U.S. Export Administration Regulations, the International Traffic in Arms Regulations, the sanctions regulations administered by the U.S. Treasury Department Office of Foreign Assets Control and the U.S. Department of State, the Sarbanes-Oxley Act, and government procurement Laws, all as amended. At Buyer's request, Seller agrees that it: (i) will provide Buyer with U.S. export classification information in writing regarding all Items within 10 (ten) business days of receipt of Purchase Order, (ii) will indicate the methodology used for determining ECCNs, whether self-classification or formal determination of classification by the U.S. Government, (iii) is responsible for obtaining and maintaining any required, applicable export and import licenses and authorizations for Purchase Order shipment(s) of the Items, unless otherwise mutually agreed to in writing, and (iv) should Seller be unable to comply with these requirements (i)

through (iii), it shall cooperate with Buyer to provide Buyer or its designated agent all information necessary for Buyer to determine the correct ECCN for each Item.

Seller shall not deliver Counterfeit Product to Buyer under any Purchase Order or Purchase Order Release. "Counterfeit Product" means an Item that is itself or contains an unlawful or unauthorized reproduction, substitution, or alteration that has been mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, a source with the express written authority of the original manufacturer, or an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. Seller shall detect and avoid providing Counterfeit Products to Buyer. Seller shall flow down the substance of this clause to its subcontractors and suppliers in the performance of this Purchase Order or Purchase Order Release. In the event that an Item delivered under a Purchase Order or Purchase Order Release is a Counterfeit Product, Seller shall, at its expense, promptly notify Buyer and replace such Counterfeit Product with genuine Items conforming to the requirements of the applicable Purchase Order or Purchase Order Release. Seller shall be liable for its own costs and expenses relating to the detection, avoidance, removal and replacement of Counterfeit Product. The remedies contained in this Section are in addition to any other right, remedy, or election Buyer may have hereunder or at law or in equity.

**Buyer and Seller shall abide by the requirements of 41 CFR 60-741.5(a) and 41 CFR 60-300.5(a). These regulations prohibit discrimination against qualified individuals based on their status as a protected veteran or individual with a disability and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.** Buyer has developed and implemented equal employment opportunity and affirmative action policies and programs and requests Seller to take the appropriate action to ensure full compliance.

By submitting a proposal or invoice to Buyer, Seller is representing to Buyer that, at the time of submission: (1) neither Seller nor its principals are presently debarred, suspended, or proposed for debarment by the U.S. government (see 48 CFR 52.209-6); (2) Seller has filed all compliance reports required by the Equal Opportunity clause (see 41 CFR 60-1.4; 48 CFR 52.222-22); (3) Seller has complied with all applicable regulations governing combating trafficking in persons including 48 CFR 52.222-50; (4) Seller does not furnish to Buyer, within the meaning of 48 CFR 52.204-25 as modified by the interim rule at 85 FR 42665, (i) any covered telecommunications equipment or services or (ii) any equipment, system, or service that uses covered telecommunications equipment or services; and (5) Seller's representations to Buyer about U.S. Small Business Administration or state and local classifications, including but not limited to size standards, ownership, and control, are accurate and complete. Seller recognizes that it has a duty to maintain its size requirements for the duration of this Purchase Order and must immediately notify Buyer if there is a change in its size standard, ownership, or control.

Items may be used by Buyer in fulfilling a U.S. government prime contract or subcontract. Therefore, Seller is subject to the applicable U.S. government procurement Laws in effect at the time of accepting the Purchase Order, including but not limited to, 48 CFR 52.211-15; 29 CFR Part 471, Appendix A to Subpart A; and all applicable clauses listed in accordance with 48 CFR 52.212-5(e). In these provisions, the term "Contractor" as used therein shall refer to Seller, and the terms "Government" and "Contracting Officer" as used therein shall refer to Buyer. Where a purchase of Items is for fulfillment of a specific U.S. government prime contract or subcontract, additional information and/or terms and conditions may be included in an attached supplement to the Purchase Order.

**19. Utilization of Small, Small Disadvantaged, and Women-Owned Businesses by Large Businesses for Purchase Orders over \$650,000.**

Sellers classified as "Large Businesses" as established by the North American Industry Classification System (NAICS) are required to comply with 48 CFR 52.219-8 "Utilization of Small Business Concerns" and 48 CFR 52.219-9 "Small Business Subcontracting Plan." Large Businesses may choose to structure their subcontracting plans in a manner similar to Buyer's subcontracting plan. Buyer's plan is summarized as follows:

- a. When selecting subcontractors and suppliers, due consideration is to be given to:
  - (1) Small business concerns,
  - (2) Small disadvantaged business concerns owned and controlled by socially and economically disadvantaged individuals,
  - (3) Women-owned small business concerns owned and controlled by women,
  - (4) Historically underutilized business zones small business concerns,
  - (5) Service-disabled veteran owned small business concerns, and
  - (6) Veteran-owned small business concerns.
- b. Small business status qualifications are as established by the U.S. Small Business Administration, the Department of Veterans Affairs, and the Code of Federal Regulations.

Seller's process of selecting subcontractors and suppliers shall provide all types of small, small disadvantaged, and women-owned businesses the maximum practical opportunity to compete to become a subcontractor or supplier, consistent with efficient performance (price, quality, delivery, and service) and sound purchasing practices.

Seller shall maintain goals and records relating to its subcontracting regarding the small business categories identified above, as well as a contact person with responsibility for reporting results. Seller shall promptly provide Buyer with reports and records regarding Seller's subcontracting upon request.

**20. International Trade Reporting and Documentation.** Seller agrees to provide all information necessary for Buyer to comply with all applicable laws, regulations and any related legal reporting, notification or other types of approval obligations in the country(ies) of origin and destination, including, without limitation, permits, authorization, licensing, reporting, disclosure or certification information required under the U.S. Export Administration Regulations, the International Traffic in Arms Regulations, the sanctions regulations administered by the U.S. Treasury Department Office of Foreign Assets Control, Product Regulations, and Hazard Communication information (see Section 6(g)(4) of these Terms and Conditions). Seller agrees to provide all documentation and/or electronic transaction records to allow Buyer to meet all Customs or export-related obligations, any local content/origin requirements, and to obtain all tariff and trade program duty avoidance(s) and/or refund benefits, where applicable.

Seller agrees to assume, and to indemnify Buyer against, any and all financial responsibility arising from Seller's failure to comply with these requirements and/or to supply Buyer with the information required to meet legal reporting or approval obligations, including, without limitation, any fines, penalties, forfeitures, settlement amounts, unnecessary duties or counsel fees incurred or imposed as a result of actions taken by the importing or exporting country's government.

**21. Supply Chain Shipment Security.** If and to the extent Seller is shipping Items from jurisdictions outside the United States into the United States, Seller accepts responsibility for, and shall implement security measures to ensure, the safe and secure packaging, containerization, transportation and delivery of such Items throughout the supply chain in adherence with the security criteria required under U.S. Customs & Border Protection's ("CBP") Customs-Trade Partnership Against Terrorism ("C-TPAT"). Seller's obligations hereunder shall continue until such time as those Items are delivered to Buyer in accordance with the agreed Incoterm or other specified delivery point; provided that Seller must immediately notify the relevant Buyer facility manager or distribution center manager upon learning of any compromise to a container seal. Seller shall comply with all CBP laws, defined for purposes of these Terms and Conditions as any laws, regulations or legally binding rules issued or enforced by CBP regarding the export or import of goods, materials, equipment, or any other tangible Item from or into the United States, any designated U.S. port of entry, or any U.S. territory, including, specifically, the security measures required by C-TPAT. Seller shall promptly notify Buyer if it is a member of the C-TPAT program or any analogous program in its country of domicile (such as Authorized Economic Operator or Partners in Protection), as well as any changes to that status or identified instances of non-compliance. Seller shall respond to the annual supply chain security questionnaire issued by Buyer or provide a certification demonstrating it meets all minimum supply chain security criteria, where requested for C-TPAT or other supply chain security programs that Buyer may participate in. Seller also agrees that it shall take no action that adversely affects Buyer's status under the C-TPAT or other supply chain security programs.

**22. Buyer's Supplier Policies.** Seller shall comply with World Class Industries' Supplier Code of Conduct, Supplier Quality Manual and Supplier Communication Guidelines or any of their functional equivalent, the current versions of which are available on Buyer's supplier portal, access to which Seller acknowledges having been provided.

**23. Seller's Services.** To the extent that Seller collaborates with or otherwise provides Item(s) that include services to Buyer ordered pursuant to a Purchase Order, the following provisions shall apply:

- a. **Independent Contractor.** It is understood that Seller's employees, agents, contractors and representatives ("Personnel") assigned to perform services to Buyer shall be and remain employees of Seller whether services are performed at Seller's facilities or Buyer's facilities, and are not and shall not for any purpose be considered Buyer's employees. Seller shall be solely responsible for the payment of salaries and all matters relating thereto, including the withholding and/or payment of all payroll taxes, worker's compensation, unemployment compensation, insurance related benefits, vacation pay, holiday pay and all such additional legal requirements applicable to Seller's employees. Seller's relationship to Buyer hereunder is one of independent contractor and nothing contained herein shall be construed to imply that Seller or any of Seller's Personnel is an employee or agent of Buyer for any purpose. Seller shall have no right, power or authority to create any obligation, expressed or implied, or to make any representation on behalf of Buyer, except as may be expressly authorized from time to time by Buyer in writing and then only to the extent of such authorization. Nothing herein is to imply an agency, joint venture or partner relationship between the parties.
- b. **Removal of Personnel.** In the sole discretion of Buyer, Buyer shall have the option to request the immediate replacement of any Seller Personnel, in which case Seller shall replace such individual(s) at its own cost. Buyer will not be liable for the removed Personnel's time for any period after the demand for removal, nor for any time that Buyer (in good faith) believes to have been falsely or otherwise improperly billed to Buyer. If the replacement request, including satisfactory replacement personnel, has not been resolved to Buyer's satisfaction within ten (10) days after Buyer submits the request to Seller, Buyer may terminate any outstanding Purchase Order, Purchase Order Revision or Purchase Order Release at any time thereafter by providing written notice to Seller, such notice to be effective as of the date indicated in the notice.
- c. **Buyer Property.** If any materials, equipment, or other property contained in or constituting a part of a Buyer owned or controlled facility or location shall be damaged or destroyed by Seller or its Personnel in the course of performing services, Seller shall at its expense promptly repair or replace the same, to the complete satisfaction of Buyer.
- d. **Export Law Compliance.** When the performance of services requires access to information or items subject to U.S export laws, including but not limited to, the International Traffic in Arms Regulations, the Export Administration Regulations, and regulations administered by the U.S Treasury Department Office of Foreign Assets Control, as may be amended from time to time ("Export Laws"), Seller shall perform such services in compliance with all necessary and applicable permits, licenses, authorizations, or notifications, including but not limited to any export licenses or other required export, re export, or deemed export authorizations, and in a timely manner. Seller has obtained or will obtain all permits, licenses, authorizations, or notifications, including any export licenses or other required authorizations, necessary to perform the services, including any export, re export or deemed export licenses required for any non U.S. persons or persons located outside of the United States to perform the

services, at its sole cost and expense. Upon written request by Buyer, Seller shall provide Buyer with the citizenship or residency status of Seller's Personnel, as well as information, documentation, or correspondence regarding any applicable export licenses, authorizations, notifications, or permits obtained for such Seller's Personnel to perform said services, in order to ensure compliance with Export Laws. If Buyer has reason to believe that the Seller is not in compliance with the Export Laws or this Section 23 d. Export Law Compliance, Buyer reserves the right to audit, or to have Buyer's authorized representatives conduct audits at Seller's expense, to ascertain the extent of the Seller's non compliance with the Export Laws and this Section 23 d. Export Law Compliance. In the event Seller becomes subject to a government enforcement action related to the subject matter hereof, Seller agrees to provide Buyer with written notice of such action within ten (10) business days. Without prejudice to any remedy available to Buyer under the Export Laws, any other law, or hereunder, failure to comply with this Section 23 d. Export Law Compliance shall entitle Buyer to terminate any outstanding Purchase Order, Purchase Order Revision or Purchase Order Release with immediate effect, with no liability to Buyer following such termination.

- e. **Enterprise Architecture IT Standards.** Where applicable, Seller agrees to abide by World Class Industries' then current Enterprise Architecture standards applicable to the services being provided; Seller will ensure that any facilities from which services are being provided will have in place controls that meet or exceed the control objectives of World Class Industries' IT General Controls or other equally industry accepted auditing standards that Buyer has approved in writing; and offshore resources will adhere to Seller's standard quality procedures while performing services. A copy of World Class Industries' IT General Controls will be provided to Seller upon written request.
- f. **Software Deliverables.** No Item, software, code and/or firmware delivered to Buyer in fulfillment of Seller's obligations under an applicable Purchase Order will contain any Intellectual Property licensed under a license agreement that requires that derivative works of such Intellectual Property be provided to the licensor or recipient of such derivative works with a right of use, redistribution or modification. Any software delivered to Buyer by Seller under an applicable Purchase Order will be delivered (a) free of viruses or other intentionally disabling code, and (b) free of "keys," "time-bombs," "time-locks," and other similar devices that could interfere with the uninterrupted and unfettered use of such software as contemplated by Buyer and agreed to by the parties.
- g. **Representations and Warranties.** In addition to any other representations and warranties contained herein, Seller represents and warrants that:
  - (1) It is properly licensed, certified, and trained in compliance with the applicable standards set forth by relevant governmental or industry association authorities, and that such services will, to the extent applicable to such services, follow Buyer's New Product Introduction ("NPI"), APQP and continuous product improvement processes as applicable and will be provided with a degree of care and competence that, at a minimum, accords with customary industry standards and practice;
  - (2) Any deliverables shall conform to any and all specifications provided by Buyer, including, but not limited to, any applicable minimum engineering drawing and model standards set forth on Buyer's supplier web portal, and be free from any and all defects in design, material and workmanship and any Pro/Engineer files will pass the then current Corporate Model Check program supplied by Buyer;
  - (3) Any Personnel will meet the same standards and will comply with all laws as apply to Seller;
  - (4) All equipment used in the performance of services shall be suitable for such use;
  - (5) Seller understands the currently known hazards which are presented to persons, property, and the environment in connection with the performance of such services;
  - (6) It is aware of and will perform such services in full compliance with all applicable laws, regulations, orders, and other governmental requirements, including obtaining all necessary and applicable permits, licenses, authorizations, or notifications.
- h. **Seller Systems; Buyer Systems.** Seller recognizes that changes to its business systems may impact World Class Industries' ability to order or receive Items. Therefore, Seller shall notify Buyer of proposed changes to any of its business systems that might adversely impact World Class Industries' ability to order or receive Items in accordance with a Purchase Order or Purchase Order Release, with sufficient advance notice to enable World Class Industries to confirm the impact, if any, on World Class Industries' ability to order or receive such Items.

Seller agrees to accord Transaction Data exchanged through EDI the same status and effect as would be applicable to like information sent in written documents signed by the party to be charged. Seller is responsible for any Transaction Data exchanged by third parties in association with its user authentication to the extent of Buyer's detrimental reliance thereon prior to notification of such misuse. Seller will not access any Resources except those for which it has been expressly authorized. "EDI" means the electronic exchange of Transaction Data utilizing Resources, including passwords and other means for user authentication and security. "Transaction Data" means all information normally contained in a business transaction and documents conventionally associated with the supply of goods or services, such as a purchase order, order release, invoice and notification of acceptance of delivery.

**25. Assignment.** Any Purchase Order(s) accepted by Seller shall not be assigned by transfer, disposition, sale or otherwise, without the written consent of Buyer. It is understood and agreed that these Terms and Conditions shall be binding upon and inure to the benefit of the parties and their respective parent(s), subsidiaries, representatives, attorneys, agents, successors and permitted assigns and any agreement or schedule between the parties to which these Terms and Conditions are a part is not assignable by Seller without the prior written consent of Buyer.

**26. Set Off.** In addition to any right of setoff or recoupment provided by law, Buyer may at any time and without notice recoup, deduct or set-off claims by Seller or Seller's Affiliates (or its assignee or financing institution) for amounts due or to become due from Buyer against any claims that Buyer or any Buyer affiliate has or may have arising out of this or any other transaction between Buyer or Buyer's Affiliates and Seller or Seller's Affiliates.

**27. Change in Ownership and Control.** During the term of the applicable Purchase Order(s), if there is a change in the ownership or control of Seller, Buyer shall have the option of terminating the Purchase Order(s), and any agreement or schedule between the parties to which these Terms and Conditions are a part, immediately by giving written notice thereof. For purposes of this Section, a change in the ownership and control of Seller or a parent company of Seller, as appropriate, shall be deemed to have occurred if and when any one or more persons acting individually or jointly purchases substantially all of the assets of Seller or is or becomes a beneficial owner, directly or indirectly, of securities representing twenty-five percent (25%) or more of the combined voting power of the then outstanding securities of Seller or the parent company of Seller.

**28. Severability; No Waiver.** Invalidation of any of the provisions contained in these Terms and Conditions and any other terms in any agreement or schedule between the parties to which these Terms and Conditions are a part, or the application of such invalidation thereof to any person, by legislation, judgment or court order shall in no way affect any of the other provisions or the application of the other provisions to any other person, and the same shall remain in full force and effect, unless enforcement as so modified would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes hereof.

No failure of either party to enforce at any time any of the provisions of any Purchase Order or these Terms and Conditions or any agreement or schedule between the parties to which these Terms and Conditions are a part, or any rights or remedies with respect thereto, or to exercise any election, shall constitute a waiver of any such provision, right, remedy or election or in any way affect the validity thereof or of these Terms and Conditions or any agreement or schedule between the parties to which these Terms and Conditions are a part. The exercise by either party of any of its rights, remedies or elections under a Purchase Order or these Terms and Conditions or any agreement or schedule between the parties to which these Terms and Conditions are a part shall not preclude or prejudice such party's right to exercise at any other time the same or any other right, remedy or election it may have. The rights of termination provided herein are in addition to any other right, remedy or election a party may have hereunder or at law or in equity. No provision of these Terms and Conditions or any agreement or schedule between the parties to which these Terms and Conditions are a part may be waived except in a writing signed by the waiving party. No oral statements, course of conduct, or course of dealing shall be deemed to constitute a waiver. No waiver by either party of any breach of these Terms and Conditions or any agreement or schedule between the parties to which these Terms and Conditions are a part shall be deemed or construed to constitute a waiver of any other breach or as a continuing waiver of any breach.

**29. Headings.** The headings to sections of these Terms and Conditions or any applicable agreement, exhibit, rider or schedule are solely for convenience of reference, and shall not govern, limit or aid in the interpretation of any terms or provisions hereof or of any Purchase Order.

**30. Notices.** Any claim by Seller that Buyer has breached, or is in default of, its obligations under these Terms and Conditions, or any communication regarding Buyer's confidential information or intellectual property rights shall be sent to:

World Class Industries  
925 N. 15th Ave.  
Hiawatha, IA 52233  
Attention: Director of Purchasing

With a copy delivered by certified mail, courier, or such method as shall permit the sender to verify delivery, to the addresses set forth below:

World Class Industries  
1535 Stamy Road  
Hiawatha, IA 52233  
Attention: President and COO

Notice shall be deemed effective when actually delivered to Buyer as demonstrated by courier records. Buyer may change its address at its discretion by notifying Seller of such change.

**31. Photographs.** Seller shall not take photographs of any Buyer owned or controlled facility or location or on or within such facility or location without prior written authorization of Buyer.

**32. Business Continuity.** Seller has provided and will maintain a business resumption and continuity plan acceptable to Buyer that identifies how Seller shall continue to meet its obligations under these Terms and Conditions and any agreement or schedule between the parties to which these Terms and Conditions are a part in the event of a business interruption. The plan shall describe Seller's resumption and continuity procedures and demonstrate its ability to resume the normal supply of Product to Buyer as soon as commercially practicable. The plan shall also account for Seller's suppliers and the suppliers of those suppliers. Seller may update such plan with Buyer's prior written consent.

**33. Governing Law and Forum Selection.** These Terms and Conditions shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to its conflict of laws provisions, and exclusive jurisdiction over any action, suit, or proceeding under, arising out of, or relating to these Terms and Conditions shall lie in the federal and state courts having jurisdiction over McHenry County, Illinois, and Buyer and Seller hereby waive any objection it may have at any time to the laying of venue of any such proceedings brought in any such courts, waive any claim that such proceedings have been brought in an inconvenient forum, and further waive the right to object, with respect to such proceedings, that such court does not have jurisdiction over that party. The United Nations Convention on Contracts for the International Sale of Goods, the United Nations Convention on the Limitation Period in the International Sale of Goods of 1974 and Protocol of 1988 (amending the Limitation Period Convention) shall not be applicable to any transaction pursuant to these Terms and Conditions or any agreement or schedule between the parties to which these Terms and Conditions are a part.

**34. Counterparts.** Any applicable agreement or schedule between the parties incorporating these terms, may be executed in one or more counterparts (including by means of facsimile or electronic mailing of a copy of an original signed signature page), each of which shall be deemed an original and all of which together shall constitute one and the same instrument, and facsimile or other copies of original signatures shall be treated as original signatures hereunder.

**35. Construction.** The parties have participated jointly in the negotiation and drafting of these Terms and Conditions and any agreement or schedule between the parties to which these Terms and Conditions are a part. In the event an ambiguity or question of intent or interpretation arises, these Terms and Conditions and any agreement or schedule between the parties to which these Terms and Conditions are a part shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by the authorship of any of the provisions of these Terms and Conditions or any agreement or schedule between the parties to which these Terms and Conditions are a part.

**36. Modification.** The provisions of these Terms and Conditions and any agreement or schedule between the parties to which these Terms and Conditions are a part may be modified or amended in whole or in part only in a writing signed by both parties. Course of dealing or course of performance shall not be deemed to modify these Terms and Conditions or any agreement or schedule between the parties to which these Terms and Conditions are a part.

**37. Survival.** Rights, warranties, and obligations herein, or in any agreement or schedule between the parties that incorporates these terms and conditions, that by their nature should survive, shall remain in effect after termination or expiration. Those rights, warranties, and obligations include, but are not limited to, the terms and conditions relating to confidential information, proprietary rights, indemnification, export law or other regulatory compliance, representations and warranties, intellectual property, entire agreement, and order of precedence.