

# General Terms and Conditions of Purchase

**1. Complete Agreement.** Except as provided in a separate agreement previously agreed to by the Parties, this purchase order, including these general terms and conditions and any specifications or attachments hereto, constitutes the sole and entire agreement between Buyer and Seller. Seller's acceptance of this purchase order is expressly limited to the terms and conditions of this offer. No other terms or conditions shall be binding upon Buyer. Should any of the terms and conditions of this purchase order be at variance with any of the terms and conditions of sale of Seller, it is understood and agreed that the terms and conditions of this purchase order shall prevail. This purchase order constitutes an offer by Buyer to Seller and is not binding on Buyer until accepted by Seller and Seller specifically waives its signed acceptance of this purchase order by a delivery of the goods, rendering of the services, or the commencement of work on goods to be specifically manufactured for Buyer pursuant to this purchase order.

**2. Price.** Buyer shall not be billed at prices higher than stated on this purchase order unless agreed to by Buyer in writing. Prices for domestic transactions shall include all customs duties and sales, use, excise and property taxes and similar charges, and that the prices for any international transactions are invoiced as Ex Works Seller's facility (Incoterms 2000) with any applicable transportation, duty or tax charges listed separately as required by the applicable Incoterms (2000) of sale listed on this Purchase Order. Seller warrants that the prices for the goods or services sold hereunder are not less favorable than those currently extended to any other customers for the same or similar goods or services in similar quantities. In the event Seller reduces its prices thereof during the term of this purchase order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this purchase order shall be complete, and there shall be no additional charges including, without limitation, shipping, packaging, labeling, customer duties, taxes, storage, insurance, boxing, and crating.

**3. Delivery.** Time is of the essence with respect to Seller's performance hereunder. If delivery of goods or rendering of services is not completed by the time represented to Buyer, Buyer reserves the right (among other rights and remedies) without penalty or liability, to terminate this purchase order and to purchase substitute goods or services elsewhere and to charge Seller with any additional costs or losses incurred. Seller shall suitably pack, mark and ship in accordance with instructions, if any, from Buyer, and Seller must follow country of origin marking requirements as outlined in CFR 19 part 134. Unless otherwise specified by Buyer, freight terms for domestic US transactions shall be FOB Destination Freight Prepaid by Seller. When necessary, Buyer reserves the right to carrier selection. International transactions shall be shipped DDU Buyer's facility (Incoterms 2000) with Ex Works Seller's Facility Prices, transportation charges listed separately on the invoice. Risk of loss and title to all conforming goods and/or services provided under this purchase order shall pass to Buyer upon delivery, or at the time of acceptance by Buyer, whichever is later; provided, however, that, in the event the goods and/or services subsequently are rejected by Buyer for any reason, risk of loss and title shall be divested from Buyer and shall revert immediately to Seller.

**4. Inspection and Acceptance.** All goods provided under this purchase order shall be subject to inspection and test by Buyer on reasonable notice at all reasonable times and places including, without limitation, the place of manufacture. Final inspection and acceptance of all goods provided under this purchase order shall be made after delivery at Buyer's designated point, notwithstanding any prior payment or inspection. Buyer shall, at its sole option, either give Seller a reasonable time to correct any nonconformance, or cancel the purchase order as to such goods and retain its rights to purchase substitute goods as provided by law, or be retained by Buyer with Seller refund of previously paid money for the non-conforming goods. Buyer may charge Seller for all expenses of unpacking, examining, repacking and reshipping any nonconforming goods. Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to specifications for the goods or otherwise to change the scope or specific requirements of the work covered by this purchase order, and Seller agrees to implement such changes promptly.

**5. Payment.** Unless otherwise agreed to in writing by Buyer, or identified in this Purchase Order, payment terms are net 45 days. Seller shall be paid the prices stipulated herein for goods delivered and accepted, less applicable deductions, if any. Buyer may return quantities of goods in excess of that specified at Seller's expense and risk. For purposes of invoice payment, the effective date of the invoice shall be construed to be the date of acceptance of goods at Buyer's location (or such other destination as designated by Buyer) or the date of receipt by Buyer of Seller's correct invoice, whichever occurs later. Notwithstanding the above, payment shall not constitute an acceptance of any goods or services failing to meet applicable drawings, specifications, or quality standards.

**6. Warranty.** Any goods or services purchased pursuant to this purchase order shall be subject to all warranties, either express or implied by law, including, without limitation, warranties of title, merchantability and fitness. Seller warrants that all goods provided

under this purchase order shall be free from defects in design, material, workmanship, and title, and shall be at least equal to industry recognized standards or codes or of the best quality if no quality is specified. Goods used to correct nonconformity shall be similarly warranted. Seller further hereby warrants that the goods and services to be furnished hereunder shall (i) be in full conformity with Buyer's specifications, drawings and data, or Seller's samples, (ii) be merchantable, and (iii) that goods furnished hereunder shall be fit for the use intended by Buyer. Seller further hereby warrants that on delivery Buyer shall receive good title to the goods free and clear of all liens and encumbrances and that all goods and services, including, without limitation, the sale or use thereof, shall be free from any actual or claimed patent, copyright or trademark infringement. Seller further hereby warrants that all goods and services sold hereunder shall have been produced, sold, delivered and furnished in strict compliance with all applicable International, Federal, State and local laws and regulations. Seller agrees that its warranty shall survive acceptance of the goods and shall be in addition to any warranties given to Buyer by Seller. Except as otherwise provided in this purchase order, Seller's liability hereunder shall extend to all damages proximately caused by the breach of any foregoing warranties or guarantees, including, without limitation, any incidental or consequential damages. Seller's warranties, including, without limitation, any more favorable warranties, service policies, or similar undertaking of Seller, shall be enforceable by Buyer and the purchasers and the users of Buyer's products. Seller warrants that it has and will utilize people with the necessary skills and tools to perform the work and will comply with any scope of work requirement.

**7. Liens.** Seller shall immediately satisfy any lien or encumbrance which because of any act or omission of Seller is filed, or threatened to be filed, against the goods to be provided hereunder or against any property of Buyer. If any lien or encumbrance is asserted against goods delivered or to be delivered under this purchase order, or any part thereof, Buyer shall have the right to discharge the same by filing a bond or other security, or in its discretion, by paying the amount of such claim. Seller shall repay Buyer any amount thus paid by Buyer for the purpose of discharging such claim, plus all administrative and legal expenses incurred by Buyer in this connection. Buyer may, in its absolute discretion, deduct from any sums owing Seller under this purchase order any amount necessary to satisfy any such lien or encumbrance and or any such resulting loss or expense.

**8. Indemnification.** To the fullest extent permitted by law, Seller shall indemnify and hold harmless Buyer, its customers, employees, officers, directors, agents, affiliates and assigns from and against any and all claims, damages, losses and expenses, including, without limitation, judgments, costs and attorneys' fees, arising out of or resulting from: (i) Seller's and its subcontractor's performance, inclusive of anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable regardless of whether or not it is caused in part by a party indemnified hereunder, or breach of this purchase order; (ii) Seller's failure to comply with applicable laws and regulations; or (iii) the sale or use of the goods or services furnished by Seller hereunder, including with respect to any patent, copyright or trademark infringement. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described herein.

In any and all claims against Seller or any of its agents or employees by any customers, employees, officers, directors, agents, affiliates and assigns of Buyer, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Seller under workers' compensation acts, disability benefit acts or other employee benefit acts. In no event shall Buyer be liable for anticipated profits or incidental or consequential damages.

**9. Bonds and Insurance.** If requested prior to commencement of delivery, Seller shall obtain a Faithful Performance Bond and a Labor and Material Payment Bond, each in the form and substance satisfactory to Buyer and each for an amount equal to not less than the estimated cost of the purchased goods or services. A surety or sureties satisfactory to Buyer shall execute such bonds. All refunds from any premiums or dividends issued in connection with such bonds shall be paid directly to Buyer.

Seller agrees to maintain in full force and effect, and require any subcontractors that it engages with, the following insurance to cover any loss sustained by Buyer, including attorney fees: (1) Workers Compensation at the Statutory limit; (2) Employer Liability at \$1,000,000 per employee and such insurance shall include a waiver of subrogation against the Buyer; and (3) Commercial General Liability Insurance and products/completed operations liability coverage each in an amount of not less than \$2,000,000 per occurrence; (4) Business Auto Policy of \$1,000,000 CSL and such insurance shall cover owned, non-owned, and hired vehicles; and (5) Cargo insurance to protect the Goods on an all-risk, warehouse to warehouse basis on at least 110% of the invoice value of the Goods. These listed insurance amounts are considered as minimum amounts necessary to cover Seller's obligations under this Agreement and the nature of the work may necessitate higher limits. Buyer shall be named as additional insured. This insurance shall be primary and non-contributory with any other insurance available to the Buyer.

Seller further agrees to insure (or self-insure) all loss to owned or leased tools and equipment and agrees to obtain endorsement from its insurance carrier waiving its right to subrogation against Buyer.

Upon request by Buyer, Certificates of Insurance shall be delivered to Buyer evidencing compliance with the insurance terms of this purchase order through a company or companies satisfactory to Buyer, and Certificates of Insurance shall be of a type that unconditionally obligate the insurer to notify Buyer in writing at least thirty (30) days in advance of effective date in the event of any material change in or cancellation of such insurance.

Should Seller engage a subcontractor, the same conditions applicable to Seller under these insurance requirements shall apply to each subcontractor.

**10. Compliance with OSHA and Plant Safety Regulations.** All on-site work is to be performed by Seller in compliance with standards established by the Occupational Safety and Health Administration, other applicable safety standards, and with local plant safety regulations including, without limitation, the wearing by Seller's and any subcontractor's employees of safety hats, safety glasses, and safety shoes, and the observance of the plant cutting/welding permit system, and no smoking regulations in restricted areas.

**11. Equal Employment Opportunity.** The parties hereby incorporate the requirements of 41 C.F.R §§ 60-1.4(a)(7), 60-250.5 and 60-741.5, if applicable. By accepting this purchase order, Seller certifies that it complies with the authorities cited above. Seller agrees to incorporate such clauses where applicable in all contracts and subcontracts.

**12. Termination.** Buyer may, at its option, immediately terminate all or any part of this purchase order or releases hereunder, at any time and for any reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller the contract price for all goods and services that have been completed and delivered in accordance with this purchase order and not previously paid for (which shall be Seller's exclusive remedy). Buyer reserves the right to take possession of any Goods, regardless of finished state, documentation and all materials and tooling with the right to continued use; and Buyer may then finish the Goods by any means necessary.

**13. Dispute Resolution.** Any and all disputes arising under or relating to the transactions to which these terms and conditions apply shall be finally settled by binding arbitration in Iowa, United States of America, under Iowa law, administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules, as modified or supplemented hereby, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The tribunal shall consist of a sole neutral arbitrator. The language of the arbitration shall be English. The arbitrator shall be prohibited from granting any relief that is inconsistent with these terms and conditions. Process in any arbitration may be served on any party anywhere in the world by notice given to the party in accordance with these terms and conditions. Nothing in this dispute resolution provision shall prevent a party from seeking immediate interim relief from an appropriate court under appropriate circumstances. To facilitate such relief, the parties hereby consent to the non-exclusive jurisdiction of the state and federal courts of Iowa.

**14. Nonwaiver Remedies.** Failure of Buyer to insist upon strict performance of any of the terms and conditions hereof, or failure or delay to exercise any rights or remedies provided herein or by law, shall not release Seller from any of the warranties or obligation of this purchase order. The rights and remedies herein reserved to Buyer are cumulative and in addition to any other or further rights and remedies available at law or in equity and shall include the remedies of temporary and permanent injunction.

**15. Claims Adjustment.** Buyer may at any time and without notice deduct or set-off Seller's claims for money due or to become due from Buyer against any claims that

Buyer has or may have arising out of this or any other transaction between Buyer and Seller.

**16. Confidentiality.** Seller acknowledges and agrees that all information (whether written or oral) received from Buyer in connection with this purchase order and relating to the goods or services hereunder, or to any Buyer product into which the goods are incorporated (i) shall be maintained in strictest confidence and not disclosed, directly or indirectly, without time limit, to any third party without the prior written consent of Buyer and (ii) shall be used only for the purpose of supplying goods or services to Buyer under this purchase order or other purchase orders with Buyer and for no other purpose. Seller further warrants that all such information received by Seller prior to the date of this purchase order has been and shall continue to be held in strictest confidence and that no such information has been or shall be disclosed to third parties except as authorized by Buyer in writing.

**17. Relationship of Parties.** Seller and Buyer are independent contracting parties. Nothing in this purchase order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. Neither party shall be construed as an employee of the other. Each party remains responsible for complying with requirements and obligations for employee taxes.

**18. Governing Law.** All transactions to which these terms and conditions apply shall be governed by and construed in accordance with the laws of the State of Iowa, United States of America, without reference to any choice of law provision that would cause the application of the laws of any jurisdiction other than the laws of Iowa. Seller and Buyer specifically exclude the application to such transactions of the United Nations Convention on Contracts for the International Sale of Goods (1980) and the United Nations Convention on the Limitation Period in the International Sale of Goods, as Amended by Protocol.

**19. Assignment.** Seller shall not assign its rights under any transactions contemplated by these terms and conditions without the express prior written consent of Buyer.

**20. Force Majeure.** The parties shall be excused from performing under this purchase order only to the extent that performance is rendered unfeasible by acts of God, fires, war, revolution, civil commotion, acts of a public enemy, acts of terror, and any other material contingencies beyond the control and unforeseen of the party claiming that performance is not feasible.

**21. Notice.** All notices required or permitted to be sent to Seller or Buyer shall be given in the English language, in writing, and shall be deemed duly delivered when received via: (i) e-mail, provided that a written copy of such notice is promptly delivered thereafter; (ii) facsimile, provided that a written copy of such notice is promptly delivered thereafter; or (iii) an internationally recognized courier service. All such notices shall be sent to the parties at such addresses as they shall make known to the other parties upon like notice.

**22. Severability and Survival.** In the event any of the terms and conditions contained herein is held to be invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other term or condition. The sections of this Purchase Order which are intended to survive its termination, and shall survive for any reason whatsoever, include but are not limited to Price, Payment, Warranty, Claims Adjustment, Confidentiality, Termination, Indemnification, Intellectual Property and Remedies.

**23. Intellectual Property.** Buyer shall retain sole ownership of all right, title, and interest in and to all of its intellectual property, including, without limitation, content and materials on its website, ideas, methods, trademarks, service marks, trade names, symbols, logos, copyrights, patents, trade secrets, and know-how (collectively, the "Intellectual Property"), and no licenses to any Intellectual Property are created hereunder.