



# PURCHASE ORDER TERMS & CONDITIONS

This Purchase Order Terms and Conditions will have the following meanings/definitions:

**Acceptance:** Buyer has accepted the Goods provided as being in strict conformance with the requirements of the Purchase Order.

**Buyer:** Party purchasing the Goods and/or Services provided pursuant to this Purchase Order.

**Back-Charge:** An amount owing by Seller to Buyer for costs incurred in accordance with other provisions of this Purchase Order due to non-conforming or defective Goods or Services.

**Claims:** Liabilities, demands, causes of action, damages, losses, costs, suits, or expenses, including attorneys' fees, awards, fines, penalties or judgments of every kind or nature.

**Goods:** Materials, equipment, apparatus, or components as provided to Buyer hereunder.

**Purchase Order:** These terms and conditions together with the face document and all attachments or exhibits which collectively form the contract between Buyer and Seller.

**Seller:** Party furnishing the Goods and/or Services provided pursuant to this Purchase Order.

**Services:** installation, testing, commissioning or other activity as more particularly described pursuant to the Purchase Order.

1. Acceptance. This Purchase Order expressly limits acceptance to the terms and conditions contained herein. Buyer expressly rejects any and all terms and conditions presented, advanced or supplied by Seller. Neither the Purchase Order nor these terms and conditions may be modified without Buyer's written consent. Unless otherwise mutually agreed by the parties in writing, any initiation of performance ("Services") or actions taken towards delivery of materials or equipment ("Goods") shall constitute Seller's acceptance of these Purchase Order terms and conditions.

2. Delivery. Time is of the essence under this Purchase Order. Seller shall deliver ("Goods") by the date specified. In the event of Seller's failure to deliver ("Goods") or perform ("Services") by the dates specified, Buyer reserves the right to cancel such Purchase Order in total or any unexecuted part of such Purchase Order and assess any corresponding actual or liquidated damages upon the Seller resulting from the failure to deliver or failure to perform.

Seller must, upon demand by Buyer, promptly reimburse Buyer for any and all damages Buyer incurred as a result of the delay or Seller's failure in delivering the Goods or providing the services. Buyer may, without liability, and in addition to its other rights and remedies, direct expedited routings of Goods with Seller paying the difference in cost between the expedited routing and the order routing. Buyer may also terminate any part of this order effective immediately and purchase substitute items or services at Seller's expense with Seller reimbursing Buyer for any loss or additional expenses incurred by Buyer in connection with the substituted items.

If Seller should know that deliveries may not be made as scheduled, Seller must immediately send Buyer a written notice setting forth the cause and length of the anticipated delay so that Buyer may determine which of the above remedies, if any, it will utilize.

If Buyer receives Goods in advance of scheduled delivery dates or in excess of quantities specified in this order or a delivery schedule for this order, Buyer may reject the Goods and return them to Seller at Seller's expense, including transportation charges both ways.

3. Inspection. All Goods provided by Seller hereunder shall be subject to inspection by Buyer at any and all times. Delivery terms shall be FOB destination, unless otherwise agreed. If any of the Goods are defective in any way or do not conform, in all respects, to the Purchase Order submitted by Buyer, then Buyer shall have the right of rejection. Buyer shall have the option to either return such defective Goods to Seller, at Seller's expense, for a full refund or accept such defective Goods and Back-charge the Seller for a credit. In the event that any of Seller's Services or Goods are deemed to be



defective, Seller shall immediately remove and replace those Services or Goods at its own expense upon written demand by Buyer, if the Seller has not responded within three (3) calendar days of written notification, Buyer will arrange for the defective Services or Goods to be removed and replaced at Seller's expense.

4. Seller Warranties. All Goods and Services furnished and used in connection with this Purchase Order shall (i) be of good and merchantable quality; (ii) be free from defects in design, materials and workmanship; (iii) possess the characteristics represented by any specifications as required in the Purchase Order and comply with all applicable laws, rules and regulations; (iv) be fit for the purpose for which designed; (v) be capable of meeting all applicable performance criteria, and (vi) new, unused and in original unbroken packaging upon delivery, unless otherwise agreed.

Seller warrants to Buyer that Goods and Services provided hereunder shall be free from defects in design, material and workmanship for a period of eighteen (18) months from the date of installation. Buyer's remedy for defective or non-conforming Goods shall be Seller's correction, repair or replacement, including Seller's labor, at Seller's sole expense. Buyer may elect to have defective Goods under this section replaced in its own discretion and back-charge all costs, labor, expenses and damages associated therewith back to Seller. In addition to any contractual remedies, Buyer shall also have any and all express or implied remedies at law available to it. Seller warrants that all Services rendered hereunder, if any, will be performed in a professional manner in accordance with applicable industry standards.

The warranty period established herein shall not apply to the discovery of any latent defects. Seller shall be responsible for all costs of correction, labor and damages resulting from latent defects within the equipment, Goods or Services provided by Seller.

5. Distributor Warranties. If Seller is a distributor of Goods, then Seller shall extend any and all manufacturer's warranties, if available and applicable, to Buyer and shall assist Buyer in the coordination of any claims from Buyer, at Buyer's request.

6. Payment. Buyer shall issue payment of any undisputed amount, less any retention provided for herein, within seventy-five (75) days after receipt of the applicable invoice by Buyer. Seller agrees that Buyer shall receive a

two percent (2%) prompt payment discount for any payments hereunder made by Buyer within thirty (30) days after Buyer's receipt of the applicable invoice. Any prompt payment discount shall be deducted by Buyer from the invoice to which such prompt payment applies. In the event Seller is not in full agreement with price and terms indicated herein, Seller shall so notify Buyer before proceeding with performance of the Purchase Order.

Approval and passage of title of the Goods shall not occur until such time as Seller's Goods, including quantity and quality, are inspected and accepted by Buyer. Risk of loss remains with Seller until the Goods have been delivered to Buyer and accepted in accordance with the terms hereunder. Any defective or non-conforming Goods shall be returned to Seller, at Seller's expense, for repair or replacement, at Buyer's sole option. Payment of any invoice shall not relieve Seller of any continuing obligations that survive termination or expiration.

Buyer shall have the right to withhold payment, in whole or in part, for any of the following reasons, including, but not limited to:

- 1) Defective or non-conforming Goods or Services;
- 2) Untimely delivery of the Goods;
- 3) Violation of any applicable law, rule or regulation, including OSHA
- 4) Incorrect quantities;
- 5) Breach of warranty; or
- 6) Any other violation of duty or obligation hereunder

7. Cancellation and/or Termination. Buyer reserves the right to cancel or terminate, at any time, any Purchase Order, or any part of it, for cause or for Buyer's sole convenience. In the event of such termination, Seller shall immediately discontinue performance of all Services pursuant to the applicable Purchase Order and shall also cause any suppliers or subcontractors to cease performance of Services. Buyer's liability shall be limited to the actual reasonable costs incurred by Seller and any Services in progress up to and including the date of termination. Termination costs shall not exceed the agreed-upon price of the Goods and/or Services. Any termination for cause shall excuse Buyer from further liability with respect to the Goods and Seller agrees to compensate Buyer for additional re-procurement costs incurred. "Cause" shall be defined as any breach of duty or obligation by Seller under these Terms and Conditions or under the Purchase Order and shall entitle Buyer to



withhold payment, in whole or in part, until such time any such breach of obligation or duty has been satisfactorily remedied.

Buyer shall not be liable for any loss of profits, consequential damages, incidental loss or damage, nor any suspension delay, termination or cancellation charges or portion thereof suspended or terminated.

8. Insurance Requirements. Seller agrees to maintain in full force and effect, at all times and for a period of two (2) years thereafter, such insurance as will fully protect Buyer, its employees, officers and directors, any other Additional Insureds where required by written contract, and Seller from any and all claims, of whatever kind or nature, for damage to property or for bodily injury, including death, or personal injury made by any person or entity caused by the Goods and/or Services provided by Seller. Seller acknowledges that all insurance required pursuant to this Section is primary and noncontributory.

All insurance shall conform to the following specifications:

General Liability Insurance. Seller shall maintain one (1) or more occurrence based commercial general liability insurance policies (the "Liability Insurance") with the following minimum limits: (a) \$1,000,000 each occurrence; (b) \$1,000,000 personal injury and advertising injury; (c) \$1,000,000 products-completed operations aggregate; and (d) \$2,000,000 general aggregate.

The Liability Insurance must include specific coverage provisions or endorsements insuring: (a) premises and operations liability; (b) contractual liability for bodily injury, property damage or personal injury; (c) personal and advertising injury liability; (d) products and completed operations coverage which must be maintained for two (2) years after final payment for the Goods or Services; (e) per "job site" general aggregate; and (f) additional insured coverage must include completed operations coverage for two (2) years

Excess/Umbrella Liability. Seller shall maintain one (1) excess/umbrella liability policy with the following minimum limits: \$2,000,000 Each Occurrence \$2,000,000 Aggregate.

The Excess/Umbrella Liability Policy must cover all legal liability and assumed liability for bodily injury, property

damage, personal injury, and advertising liability. Coverage must be excess over the Commercial General Liability, and Employers Liability.

Additional Insureds. Seller agrees to include on all policies covered for General Liability and Excess/Umbrella Liability, the Buyer, its respective officers, directors, board members and employees, as Additional Insureds. Seller shall maintain coverage for Additional Insureds per ISO endorsement form CG 20 10 07 04 and CG 20 37 07 04.

Automobile Insurance. Seller shall maintain one (1) or more automobile insurance policies (the "Automobile Insurance") covering all owned, hired or non-owned automobiles used by Seller in the performance of the Services. The Automobile Liability Insurance shall have the following minimum limits: (a) \$500,000 each accident combined single limit for bodily injury and property damage, or (b) \$250,000 each person/ \$500,000 each accident-bodily damage, and \$100,000 property damage.

Workers' Compensation and Employer's Liability Insurance.

Required Limits. Seller shall maintain workers' compensation and employer's liability insurance policies with the following minimum limits: (a) statutory coverage for Workers' Compensation, and (b) Employer's Liability Limits of:

\$100,000 each accident; \$500,000 disease policy limit; and \$100,000 disease-each employee.

Required Coverage. The Workers' Compensation and Employer's Liability Insurance Policies shall include specific coverage provisions or endorsements insuring claims made in other states, and if exposure exists, coverage must be included for any liability or claim that may be incurred under the U.S. Longshoreman's and Harbor Worker's Act, the Admiralty (Jones) Act, and the Federal Employee Liability Act.

Waiver of Subrogation. Seller agrees to include a Waiver of Subrogation on its General Liability and



Excess/Umbrella Liability, in favor of Buyer, its employees, officers and directors, any project owner, any project General Contractor/Construction Manager, and project Engineer/Architect, and officers, directors, board members and employees. The Seller's Certificate of Insurance shall document this Waiver of Subrogation.

Failure to maintain the insurance required under this article or failure to maintain sufficient levels of coverage shall not in any way limit the liability assessed against Seller for any reason.

9. Indemnification. Seller agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Buyer, its directors, officers, agents, subsidiaries, and employees ("Indemnified Parties"), from and against any and all losses, settlements, judgments, penalties, damages, costs, expenses, or claims, suits or liabilities (including, but not limited to, reasonable attorney's fees) arising out of, in connection with or in any way related to Seller's performance of the terms of this Purchase Order hereunder, including, but not limited to the sale or use of the Goods, Seller's acts or failure to act; provided, however, that such loss, cost, expense, damage, settlement, judgment, penalty, suit, claim or liability is attributable to bodily injury, sickness, disease or death or injury to or destruction of tangible property. Seller shall have no obligation to indemnify Buyer for any losses, settlements, judgments, penalties, damages, costs, expenses, or claims, suits or liabilities arising from the sole negligence of Buyer.

The above indemnification provisions are not limited in any way by the limits of insurance required hereunder.

10. Assignment. Seller may not assign any of its rights or delegate any of its obligations under the Purchase Order without Buyer's prior written consent, which Buyer will not unreasonably withhold. Buyer may, at its option, void any attempted assignment or delegation undertaken without Buyer's prior written consent. Any assignment shall be subject to set-off or recoupment for any present or future claim which Buyer may have against Seller.

Seller may not subcontract any of its rights or obligations under the Purchase Order without Buyer's prior written consent. If Buyer consents to the use of a Subcontractor, Seller will: (i) guarantee and will remain liable for the performance of all obligations; (ii) indemnify Buyer for all damages and costs of any kind, subject to the limitations in Section 9 (Indemnification), incurred by Buyer or any

third party and caused by the acts and omissions of Seller's Subcontractors' and (iii) make all payments to its Subcontractors. If Seller fails to timely pay a Subcontractor for work performed, Buyer will have the right, but not the obligation, to pay the Subcontractor and offset any amount due to Seller by any amount paid to the Subcontractor. Seller will defend, indemnify and hold Buyer harmless for all damages and costs of any kind, without limitation, incurred by Buyer and caused by Seller's failure to pay a Subcontractor.

To the extent allowed by applicable law, any person not a party to the Purchase Order shall not be entitled to enforce or take the benefit of any of its terms.

11. Intellectual Property Infringement. Seller warrants that neither the Goods furnished hereunder, nor their purchase, resale, or use, shall infringe or misappropriate or contribute to the infringement or misappropriation of any patent, copyright, trademark, trade name, trade secret or other proprietary right in the U.S.A. or elsewhere, or subject Buyer or its customers (direct or indirect) or any other Indemnified Party to royalties/fees/costs/fines in the U.S.A. or elsewhere. Seller shall indemnify and hold harmless Buyer and its customers (whether direct or indirect) and the other Indemnified Parties from and against any and all Claims which they, or any of them, may sustain or incur as the result of any breach of this warranty under the same procedures as set forth in Section 9 (Indemnification) above.

Seller must defend, indemnify, and hold harmless Buyer, its employees, successors, assigns and customers against all claims, demands, losses, suits, damages, liability, and expenses (including reasonable attorneys' fees) arising out of any suit, claim, or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any patent, trademark, copyright, mask work, or other proprietary right by reason of the manufacture, use, or sale of the Goods or services covered by this Purchase Order, including infringement arising out of compliance with specifications furnished by Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions.

Seller waives any claim against Buyer, including, but not limited to, any hold harmless or similar claim, in any way related to a claim asserted against Seller or Buyer for patent, trademark, copyright, or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by Buyer.



Seller grants Buyer a worldwide, nonexclusive, royalty free, irrevocable license to use, sell and have sold, repair and have repaired, and reconstruct and have reconstructed the Goods covered by this Purchase Order.

Seller assigns to Buyer all right, title, and interest in and to all trademarks, copyrights, and mask work rights in any material created for Buyer in connection with this order. The obligations of this Article survive termination or completion of this order.

12. Governing Law. These terms and conditions shall be governed by, and construed in accordance with, the laws of the State of Wisconsin (without regard to any choice or conflicts of law principles). Each party hereto irrevocably agrees that any and all actions or proceedings brought by any party against any other party in any manner or respect arising out of or from or related to these terms and conditions shall be adjudicated in the State of Wisconsin. The rights and obligations of the parties hereunder shall not be governed by the 1980 U.N. Convention of Contracts for the International Sale of Goods.

These terms and conditions shall be governed by, and construed in accordance with, the current version of the Uniform Commercial Code of the State of Wisconsin.

Seller shall also be obligated to comply with all provisions of the Occupational Safety and Health Act of 1970, as amended, and the requirements promulgated thereunder.

Any ambiguities between the Purchase Order and the terms and conditions shall be construed in favor of the Buyer.

13. EEO/AA. By accepting the terms and conditions of this Purchase Order, the Seller acknowledges familiarity with the requirements of, and agrees to comply with, Executive Order 11246 of September 24, 1965, Title VII of the Civil Rights Act of 1964, and the Equal Opportunity clause 41 CFR 60-1.4(a) 1 through 7, Section 503 of the Rehabilitation Act of 1973, and the Equal Opportunity for Workers with Disability clause 41 CFR 60-741.5(a) 1 through 6, and the Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended and the Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, Recently Separated Veterans, and Other Protected Veterans clause 41 CFR 60-250.5(a) 1 through 11, and 41 CFR 60-300.5.

Buyer is an EEO/AA employer. Buyer encourages the hiring and promotion of women, minorities, individuals with disabilities, and protected veterans. Buyer requests appropriate action on the part of Seller.

14. Federal Acquisition Regulation (FAR). If this order contains a U.S. Government Prime Contract Number or if any of the Goods to be supplied under this order are to be used on a U.S. Government contract, the FAR, DFARS and any other governmental purchasing regulations are incorporated herein by reference and made part of these terms and conditions.

15. Attorney's Fees. In the event of a dispute between Buyer and Seller arising out of the Purchase Order, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred including staff time, court costs, attorneys' fees, and all other related expenses incurred, directly or indirectly, in connection with such dispute.

For purposes of this section the prevailing party shall be defined as the party who prevails on more than 75% of its claims.

16. RoHS, REACH and Conflict Minerals Statement. Buyer is dedicated to providing high quality manufactured electrical assemblies that meet environmental regulations, including RoHS EU Directive 2002/95/EC and subsequent amendments of the European Parliament and of the Council regarding the use of certain hazardous substances in electrical and electronic equipment (EEE) and REACH (Registration, Authorization and Restriction of Chemicals, European Union Regulation (EC) 1907/2006).

Standard Buyer products are compliant with the RoHS EU Directive 2002/95/EC. These products are compliant with the legislation by having less than 0.1% by weight each of lead, mercury, hexavalent chromium, PBB, and PBDE, and 0.01% by weight of cadmium. Faith expressly sources supplies for its manufactured items from RoHS compliant suppliers.

Standard Buyer products are compliant with regulations EC1907/2006 (REACH) and do not contain Substances of Very High Concern (SVHC) in excess 0.1% by weight. As a producer of "articles" under the definition of the REACH regulations EC1907/2006, Buyer foresees no registration requirements for the products supplied to Seller.



Buyer is also committed to sourcing components and materials from companies that share its values around human rights, ethics, and environmental responsibility. On August 22, 2012, the U.S. Securities and Exchange Commission (“SEC”) issued the final conflict minerals rule under Section 1502 the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Conflict Minerals Rule”). The Conflict Minerals Rule requires publicly traded companies to report annually the presence of conflict minerals (tin, tungsten, tantalum and gold, or “3TG”) originating in the Democratic Republic of the Congo or adjoining countries (“Covered Countries”). Buyer supports the goal of ending violence, human rights violations and environmental devastation in the Covered Countries. When requested by its customers, Buyer requires its key material suppliers to provide completed conflict minerals declarations using the EICC/GeSI Conflict Minerals Reporting Template.

Customer should identify to Buyer in its purchase order a requirement for RoHS, REACH and/or the Conflicts Mineral Rule compliance, Buyer will supply a Certificate of Compliance specific to Customer’s products.

17. Subject to Change. All terms and conditions are subject to change at any time without notice.