

# PURCHASE ORDER TERMS AND CONDITIONS

## ACCEPTANCE-ENTIRE AGREEMENT

- a) Acceptance of this offer to purchase by acknowledgement, shipment or other performance shall be unqualified, unconditional and subject, and expressly limited, to the terms and conditions of this Agreement.
- b) The terms contained in this Agreement shall constitute the entire agreement between Seller and Buyer with respect to the subject matter of this Agreement and may not be modified or rescinded except by a writing signed by authorized representatives of Buyer and Seller.

## 1. PRICE

The prices for the products or services purchased by Buyer pursuant to this Agreement will be Seller's lowest prices then in effect, but in any event not to exceed the prices specified on the face of this Agreement. Seller warrants that the prices charged to Buyer are no less favorable than those charged to any other customer purchasing substantially similar products or services in comparable quantities and under comparable commercial conditions. If Seller offers lower pricing, rebates, discounts, or more favorable commercial terms to another customer during the term of this Agreement, Seller shall promptly notify The Parties agree that the damages that Buyer will sustain as a result of Seller's failure to make promised delivery are extremely impracticable or impossible to predict or calculate with certainty, and accordingly, have in good faith estimated

Buyer and extend such pricing or terms to Buyer for all future purchases and any open orders not yet fulfilled.

## 2. TAXES AND CHARGES

The prices for the products or services include, unless specifically listed on the face hereof, all packing, inspection, insurance and shipping costs and all federal, state and local taxes.

## 3. DELIVERY AND DEFAULT

Time is of the essence in the performance of this Agreement. Delivery shall not be deemed to be complete until products or services have actually been accepted by Buyer. Delivery of products or services must be made within the time specified in this Agreement or applicable order. If any delivery is threatened to be delayed, Seller shall promptly give notice to Buyer's purchasing department of such delay or threatened delay. On default by Seller, Buyer may, by written notice, terminate the whole or any part of this Agreement or any affected order. In the event of termination pursuant to this section, Buyer shall have the right, in addition to any other rights and remedies conferred by law or under this Agreement, to procure, upon such terms and in such manner as Buyer may deem appropriate, products or services similar to those terminated, and Seller shall be liable to Buyer for any excess costs for such similar products or services. Buyer may refuse delivery of products made more than one week in advance of its delivery schedule specified herein and may return such products to Seller at Seller's expense.

fair compensation the amounts as set forth below as Liquidated Damages, the amounts Seller will pay to Buyer as fixed, agreed, and liquidated damages, and not as penalty:

Nothing in this clause shall operate to

restrict any other rights and remedies available to Buyer at law arising from Seller's failure to make delivery.

#### 4. QUANTITY

The quantity of products or services ordered must not be changed except to allow for customary variation attributable to standard manufacturing or packaging practices, not to exceed 10%.

#### 5. IDENTIFICATION.

- a) Each shipment under this Agreement must be positively identified by suitable marking on the outside of each package.
- b) Country of Origin Marking Requirements where applicable, the Seller warrants that the goods covered by this Purchase Order are in compliance with all laws, regulations, rules, and orders relating to the importation of goods into the United States. Unless otherwise noted, the goods are of U.S. origin. Per U.S. Customs regulation 19 CFR 134.11, country of origin markings must be placed on every article of foreign origin (or its container) entering the United States.

The marking must be:

- In a conspicuous place
  - Legible
  - Permanent
  - In English
- c) Documentation

Seller must provide Ashcroft Inc. with RoHS, REACH, Full Material Disclosure (FMD) and Conflict Minerals data upon request. The data must clearly specify if a product meets the requirements of the most current legislation. If a Seller changes vendors, Seller must notify Ashcroft Inc. of the change and if it affects any of the RoHS, REACH, FMD and Conflict Minerals data provided.

#### 6. QUALITY AND INSPECTION

All products or services delivered shall at all times be subject to Buyer's inspection, but neither Buyer's inspection nor failure to inspect shall relieve Seller of any obligations hereunder. Buyer reserves the right to reject and return at the risk and expense of Seller such portion of any shipment which may be defective or fails to comply with specifications without invalidating the remainder of the order. Any products or services rejected or otherwise not meeting the standards set forth above may be held for disposition at the expense and risk of Seller or, at Buyer's sole discretion, be returned for credit or promptly replaced or reperformed by Seller at Seller's sole expense.

#### 7. CANCELATIONS

Buyer may, at any time and for any reason, cancel this Agreement or any Purchase Order, in whole or in part, by written notice to Seller.

Upon receipt of such notice, Seller shall immediately cease work on the canceled portion, take reasonable steps to mitigate costs, and incur no further expenses except those necessary to protect work in process and Buyer-authorized materials.

Within fifteen (15) days of cancellation, Seller shall submit a detailed statement of any actual, reasonable, documented, and unavoidable costs directly resulting from the cancellation. Buyer shall have the right to review and audit such costs.

Seller shall not be entitled to recover lost profits, overhead, consequential damages, or any costs that could reasonably have been avoided or mitigated.

Buyer's sole obligation shall be limited to payment for: (i) conforming goods completed prior to cancellation; (ii) authorized work in process; and (iii) non-

cancelable, non-returnable materials purchased specifically for Buyer and not reasonably usable elsewhere. Any payment shall be subject to Buyer's review and approval, and title to any compensated goods, work in process, or materials shall transfer to Buyer upon payment.

The remedies in this Section are Seller's sole and exclusive remedy for cancellation.

## 8. CHANGES

Buyer shall have the right to make changes in any order issued pursuant to this Agreement, but no additional charges will be allowed unless authorized in writing by Buyer. If such changes affect delivery or the amount to be paid by Buyer, Seller shall notify the Buyer in writing with five (5) business days of receipt of the change request and provide supporting documentation. Failure to provide such notice within the specified period shall constitute Seller's waiver of any claim for adjustment. Any adjustment to price or delivery shall be subject to Buyer's prior written approval.

## 9. CONFIDENTIALITY

This Agreement and any order issued hereunder are confidential and Seller agrees that none of the details connected therewith shall be published or disclosed publicly or to any third party without Buyer's prior written permission.

Anything disclosed by Buyer (Materials, Software, Documentation, Drawings, Specifications, Designs, Manuals, or Information related to the use of the Seller Products and Services) shall be deemed Buyer's Confidential Information regardless of whether it is marked as confidential.

The Seller acknowledges that any unauthorized disclosure or use of Confidential Information in breach of these

Terms and Conditions may cause irreparable harm to the disclosing Party, and monetary damages may be difficult to ascertain or be an inadequate remedy for such breach. The receiving Party therefore agrees that the disclosing Party will have the right, in addition to all other rights and remedies, at Law or in equity to seek injunctive relief for any breach or threatened breach of the obligations regarding disclosure or use of Confidential Information.

## 10. INVOICE AND PAYMENT.

- a) Seller shall submit invoices only upon delivery of products or completion of services. Buyer shall issue payment as stipulated on purchase order. Adjustments for payments made for rejected products or services or for any overpayments shall be deducted from subsequent payments due or, at Buyer's option, promptly refunded by Seller upon request. Buyer shall have the right at any time to set off any amounts due from Seller to Buyer or its affiliates against any amount payable by Buyer pursuant to this Agreement.
- b) Commercial Invoice Requirements All invoices must contain the following information in English:
  - i. Manufacturer or Supplier Name and Address: Name and address of the entity that last manufactures, assembles, produces, or grows the commodity, or name and address of the supplier of the finished Goods in the county from which the Goods are leaving.
  - ii. Ashcroft, Inc. Name and Address
  - iii. Consolidator Name and Address: Name and address of the party who stuffed the container or arranged for the stuffing of the container with Goods.
  - iv. Seller Part Number.

- v. Complete Description of the Goods.
- vi. Quantity Shipped.
- vii. Value per unit, in U.S. dollars.
- viii. Country of Origin: Country of Manufacturer.
- ix. Harmonized Tariff Classification: Minimum 6 digits.

#### **11. ASSIGNMENT**

Neither this Agreement nor any order may be assigned, subcontracted or transferred by Seller.

#### **12. INTELLECTUAL PROPERTY/INDEMNITY**

Seller warrants that products sold and services performed under this Agreement do not, and will not, infringe any valid patent, copyright, trade secret or any other intellectual property interest owned or controlled by any other person, and Seller agrees to indemnify and hold harmless Buyer from and against any and all loss or damage and any costs or expenses of any nature, resulting from any such alleged infringement.

#### **13. INDEMNITY.**

Seller shall indemnify and hold harmless Buyer and Buyer's customers from and against any and all claims for injury to or death of persons or damage to property in any manner arising out of, connected with, or incident to, (i) any defects in products sold or services provided to Buyer pursuant to this Agreement or (ii) any breach of or default under this Agreement or any representation made herein by Seller. Seller shall, at its own expense, provide and maintain insurance in amounts sufficient to protect Buyer against all such claims and shall, from time to time upon request, furnish a certificate evidencing such insurance to Buyer. Buyer shall be named an additional insured on such insurance policy/ies. Any failure to request such proof

of insurance shall not be construed as a waiver of the requirement to provide or maintain such insurance.

#### **14. COMPLIANCE WITH LAW**

The Seller shall abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a), and 41 CFR 60-741.5(a), if applicable. These regulations prohibit discrimination against qualified individuals on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, veteran status, and disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified minorities and females, protected veterans, and individuals with disabilities.

Seller further represents that neither it nor any of its subcontractors, vendors, agents or other associated third parties will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under this Agreement. Seller's violation of any applicable laws relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to Seller's performance of work pursuant to this Agreement, shall be deemed a material breach of this Agreement. Seller agrees upon request to furnish Buyer with a certificate of compliance relating to any such laws and regulations in such form as Buyer may require.

#### **15. CONTINGENCIES.**

In the event of war, fire, flood, strike, labor trouble, breakage or failure of performance of equipment or shortage or inadequacy of raw materials, supplies or equipment, accident, riot, act of governmental authority, Acts of God or other similar or dissimilar contingencies beyond the reasonable control of Buyer, or in the event

of plant shutdown or closing or sale or sale or discontinuance of business by Buyer, quantities so affected shall be eliminated without any liability of Buyer to Seller, but the terms of this Agreement shall otherwise remain unaffected.

## 16. WARRANTIES

Seller warrants that all goods and services delivered under or pursuant to this Agreement shall be free from defects in design, material, and workmanship, shall conform strictly to all specifications, drawings, samples, and requirements provided by Buyer, and shall be merchantable and fit for their intended purpose. The warranty period shall extend for the longer of: (i) one (1) year from the date the goods are placed into service or use by Buyer or its customer; (ii) eighteen (18) months from delivery; or (iii) the supplier's standard warranty period. Buyer may back-charge, and Seller shall be liable to Buyer and Buyer's customers, for all claims, damages, and costs incurred for a violation of this warranty, including costs of corrective action.

Any repaired, replaced, or corrected goods shall be warranted for an additional one (1) year from the date of repair, replacement, or correction.

## 17. GOVERNMENT CONTRACTS

If this Agreement or any order issued hereunder is for material or services under a government contract or sub-contract, the subcontractor terms of that contract or subcontract shall apply to this Agreement or any applicable order hereunder.

## 18. BUYER'S PROPERTY.

Unless otherwise agreed upon in writing by an authorized representative of Buyer, all drawings, sketches, blueprints, specifications, designs, models, tools, molds, jigs, dies, patterns and other

material and information furnished or paid for by Buyer pursuant to this Agreement or any applicable order shall be and remain the property of Buyer and shall be delivered to Buyer or otherwise disposed of in accordance with Buyer's instructions. Seller assumes all risk and liability for all of or damage to Buyer's property in its custody or control, except for normal wear and tear, and shall insure such property at its own expense for an amount at least equal to the replacement cost thereof. Unless previously known to Seller free of any obligation to keep it confidential, all information of Buyer shall be kept confidential by Seller, and such information and other property of Buyer shall be used only in performing under this Agreement and may not be used for other purposes.

## 19. SURVIVAL

The obligations of the parties under this Agreement which by their nature would continue beyond the termination, cancellation or expiration of this Agreement, including by way of illustration and not limitation, those in sections 10, 13, 14, 15, 17, and 19 shall survive termination, cancellation or expiration of this Agreement.

## 20. SELLER'S INFORMATION

No specifications, drawings, sketches, models, samples, tools computer programs, technical or business information, or data, written, oral or otherwise furnished by Seller to Buyer pursuant to this Agreement, or in contemplation of this Agreement, shall be considered by Seller to be confidential or proprietary.

## 21. TITLE AND RISK OF LOSS

Title and risk of loss and damage to products purchased by Buyer under or pursuant to this Agreement shall vest in Buyer when the products have been delivered at the F.O.B. point. If this

Agreement calls for additional services to be performed after delivery, Seller shall retain title and risk of loss and damage to the products or material until the additional services have been performed.

## 22. MISCELLANEOUS

- a) THIS AGREEMENT AND ALL QUESTIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CONNECTICUT WITHOUT REGARD TO THE CONFLICT OF LAWS RULES OF CONNECTICUT.
- b) Buyer shall be entitled to recover its reasonable costs, including attorney's fees, incurred in enforcing and/or defending its rights under this Agreement.
- c) A holding that any term or condition hereof is void or unenforceable shall not render void or unenforceable any other terms and conditions of this Agreement.
- d) Parts on this PO are subject to Ashcroft POP12 Suspect / Counterfeit Parts Prevention.

## 23. BINDING ARBITRATION

- a) Buyer and Seller shall attempt, in good faith, to resolve any dispute arising out of or relating to this Agreement, or the products and/or services provided hereunder, promptly by negotiation between executives. If the matter has not been resolved within sixty (60) days of a party's request for negotiation, either party may initiate arbitration as hereinafter provided.
- b) Any dispute arising out of or related to this Agreement or the products and/or

- services provided hereunder which has not been resolved by the negotiation procedure described above, shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgement on the award rendered by the arbitration(s) may be entered in any court having jurisdiction thereof.
- c) Unless Buyer and Seller otherwise agree in writing, the arbitration panel shall consist of three arbitrators. The arbitrator(s) shall have no authority to award punitive or other damages not measured by the prevailing party's actual damages and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement.
- d) The arbitration proceedings shall be conducted in Stratford, Connecticut.