

PURCHASE ORDER TERMS & CONDITIONS

“BUYER” MEANS MAR-BAL, INC. “SELLER” MEANS THE PARTY SELLING THE APPLICABLE PRODUCTS OR SERVICES TO BUYER. BY SELLING PRODUCTS OR SERVICES TO BUYER, SELLER CONFIRMS THAT THE FOLLOWING TERMS AND CONDITIONS APPLY TO BUYER’S PURCHASE. ANY MODIFICATIONS MUST BE IN WRITING AND SIGNED BY BUYER. REFERENCES TO “PRODUCTS” INCLUDE ITEMS SPECIFICALLY PROVIDED FOR THE PURCHASE AGREEMENT (AS DEFINED BELOW) OR INCORPORATED IN SERVICES BUYER PURCHASES FROM SELLER.

1. TERMS AND CONDITIONS OF PURCHASE

- a. Any products or services Buyer purchases from Seller by electronic, phone, pager or any other form of transmission, are purchased subject to the following: (i) if Seller already has a fully signed purchase agreement currently in effect with Buyer, then the terms of that agreement, together with any terms and conditions of this purchase order and any subsequent purchase orders issued hereunder not in conflict with that agreement, constitute the complete agreement; and (ii) if Seller does not already have a fully signed purchase agreement with Buyer, then the terms and conditions of this purchase order and any subsequent purchase orders issued hereunder constitute the complete agreement. The complete agreement as stated hereinabove shall be referred to as the "Purchase Agreement".
- b. Seller may not assign or subcontract its obligations under the Purchase Agreement without prior written consent of Buyer, and if Seller does so, the assignment or subcontract will be void.
- c. The Purchase Agreement shall be governed by, and interpreted under, the substantive laws of the State of Ohio.

2. PRICING; PAYMENT

- a. Unless otherwise provided elsewhere in the Purchase Agreement, prices are (i) stated in U.S. dollars, and (ii) not subject to increase for the duration of the Purchase Agreement. No extra charges of any kind will be allowed unless specifically agreed to by Buyer in writing.
- b. Unless prohibited by law, Seller will separately indicate on its invoices any taxes imposed on the sale of delivery of products or services.
- c. Unless otherwise provided elsewhere in the Purchase Agreement, payment will be net 60 days from the later of (i) the date of Buyer's receipt of an invoice; or (ii) receipt of product or services, as applicable.
- d. Seller warrants that it is selling that at the lowest prices and upon the most favorable terms (including, without limitation, volume, quality and/or payment terms) that it offers any buyer for goods or services of the same or similar quality to that provided for in the Purchase Agreement. If, during the term of the Purchase Agreement, Seller makes an offer to sell any such goods or services to a third party at a lower price or upon one or more terms that are more favorable than the price or terms then applicable under the Purchase Agreement, an equivalent reduction or modification of terms will apply.
- e. Buyer will be responsible for all sales, use, and similar taxes (excluding taxes based on or measured by the net income, net worth or gross receipts of Seller) imposed as a result of the sales of products or services. With notice to Seller, Buyer may pay such taxes directly to the taxing authority where allowed by law. Seller shall remit all taxes paid by Buyer to the appropriate taxing authority. Upon Buyer's request, Seller will provide written evidence that Seller is properly licensed to collect the taxes paid by Buyer.

3. TRANSPORTATION; DELIVERY

- a. Delivery dates are firm and TIME IS OF THE ESSENCE WITH RESPECT TO DELIVERY. Seller will promptly notify Buyer in writing if Seller anticipates difficulty in complying with a required delivery date and will use all commercially reasonable efforts to meet the required delivery date. Buyer has no obligation to accept deliveries that are not made on the required delivery date. If Seller fails to meet a required delivery date, Buyer may procure replacement products or services. Seller will be responsible for all costs incurred by Buyer as a result of early or late deliveries. If Seller has to use premium freight, Seller will notify Buyer in writing of the type and monetary value of the premium freight used (for Buyer's records).
- b. Unless otherwise provided elsewhere in the Purchase Agreement, delivery will occur and title and risk of loss will transfer, when (i) with respect to product not incorporated into services, product passes into Buyer's storage facility; and (ii) with respect to product incorporated into services, the completed services have been accepted by Buyer.

4. INSPECTION

Buyer may inspect and test all products and services and all materials, equipment and facilities utilized by Seller in producing products or providing services for Buyer. Seller will maintain an in section and testing system for the same that is acceptable to Buyer and will keep records of all in section and testing data and, with respect to products, samples of each lot shipped, for two (2) years after delivery. Unless otherwise agreed by Buyer in writing, Seller will deliver to Buyer a certificate of analysis as to specifications approved by Buyer with respect to each product lot shipped.

5. WARRANTIES

- a. Seller warrants that all products and services will be: (i) free of any claims by third parties; (ii) in strict accordance with the specifications, samples, drawing or other descriptions approved by Buyer; (iii) free from defects; and (iv) to the extent that Buyer relies on Seller to specify the products or services, fit for their intended purpose. Seller further warrants that all services will be performed in accordance with the standards of care and diligence normally practiced by persons performing similar services and in the best workmanlike manner. The above warranties will be in effect for a period of eighteen (18) months from the date of receipt by Buyer or twelve (12) months from the date of final acceptance by Buyer, whichever is earlier. If any products or services fail to conform to the above warranties Seller, at Buyer's option, will: (i) with respect to products, replace or repair the nonconforming products; (ii) with respect to services, re-perform all services necessary to correct any such nonconformity; or (iii) refund the purchase price of the nonconforming products or services and any related costs incurred by Buyer. Any replacement products or services also will be subject to the above warranties and warranty period. The warranty period for repaired products will be extended to account for the time lapsed until the repair was completed. If Seller does not replace, repair or re-perform, as applicable, within a reasonable time after notice, Buyer may do so at Seller's expense.

- b. Any rights or remedies of Buyer set forth in the Purchase Agreement are not exclusive and Buyer also has all rights and remedies available under applicable law.

6. QUANTITY TERMINATION; ORDER CHANGES

- a. Buyer may, by written notice to Seller, terminate its purchase of any quantity of products or services (i) for convenience, (ii) if Seller fails to complete or deliver any part thereof when required, and (iii) if Seller is in breach of any material term of the Purchase Agreement, including, without limitation, any provision of Sections 7, 8 or 9 below, immediately prior to the delivery thereof. If termination for convenience, Buyer will pay Seller termination charges equal to the cost of materials and labor incurred (and not otherwise mitigated) on ordered products or services prior to the date of Buyer's termination notice; provided Seller takes all steps reasonably necessary to mitigate such costs. Seller will notify buyer of the actual termination charges within thirty (30) days after termination. If termination is due to failure to completion or delivery or breach of any material term of the Purchase Agreement, not termination charges will apply and Buyer may procure substitute products or services and Seller will be liable to Buyer for any excess costs incurred by Buyer.
- b. Prior to shipment or completion, Buyer may request changes with respect to the products or services to be provided, including, changes in method of shipping or packing, time or place of delivery and increases in delivered quantity. Seller will promptly notify Buyer of and resulting increase or decrease in cost and Buyer and Seller will agree on any price adjustment before implementing any change.

7. COMPLIANCE WITH LAWS

- a. Seller represents, warrants, certifies and covenants that: (i) Seller will comply with all applicable laws, rules, regulations and orders in performing its obligations under the Purchase Agreement, including environmental, health and safety laws and regulations, immigration laws and those dealing with equal employment opportunity.
- b. From time to time, at Buyer's request, Seller shall provide certificates to Buyer relating to compliance with any applicable legal requirements.

8. CONFIDENTIAL INFORMATION; OWNERSHIP OF DOCUMENTS & MATERIALS

- a. Seller will treat as confidential and not disclose any information received from Buyer in connection with the Purchase Agreement to any person not authorized by Buyer in writing to receive it. Seller will use such information only as necessary to fulfill its obligations under the Purchase Agreement. Upon termination of Purchase Agreement, all such information will be returned to Buyer, or at Buyer's option, destroyed by Seller. Seller will not make any announcement or release any information concerning the Purchase Agreement to any other person or entity, including the press or any official body, except as required by law, unless prior written consent is obtained from Buyer.

- b. All drawing, models, specifications and other documents and materials prepared by Seller specifically in connection with the products or services supplied under the Purchase Agreement will become Buyer's property and be delivered to Buyer, as part of the consideration of this Purchase Agreement, upon (i) completion, abandonment or postponement of the services or delivery of the products required by the Purchase Agreement or (ii) termination of the Purchase Agreement. Seller hereby assigns any and all rights that it has in and to all such documents and material s to Buyer.

9. INTELLECTUAL PROPERTY INFRINGEMENT

Seller represents and warrants that the sale or use of the products or services provided to Buyer will not infringe or contribute to the infringement of any patents, trademarks, or copyrights anywhere in the world. If any product, service, or part thereof is held to constitute an infringement, Seller will, at its expense, obtain for Buyer a license to sue the item or service, or replace or modify the same, in a manner satisfactory to Buyer, so as to avoid the infringement. Seller shall not assert any of its patens or other intellectual property rights against buyer or Buyer's affiliates or customers worldwide in connections with any use of products or services provided to Buyer in the production, use, preparation, sale, or delivery of, or other action with respects to, the products or services of buyer or Buyer's.

10. QUALITY

Seller will not change the manufacturing process, raw materials or proportions of raw materials used in products delivered to Buyer under the Purchase Agreement unless Seller notifies Buyer in writing of the change at least ninety (90) days before its implementation and Buyer agrees to the change in writing. Seller will be liable for all losses and damages that Buyer may suffer if Seller does not comply with the requirements of the preceding sentence. At Buyer's request, Seller will provide samples of product produced with the proposed change to test in Buyer's manufacturing process.

11. CUSTOMS AND TRADE

- a. Unless otherwise agreed by Buyer in writing, Buyer will not be a party to the importation of products. All purchases under the Purchase Agreement will be consummated subsequent to importation, prices will be inclusive of all duties and other costs of customs clearance and Seller will not cause or permit Buyer's to be shown as "importer of record" on any customs declaration. In any case where Buyer agrees to be the importer of record, Seller will provide all information needed to effect customs entry into each country into which the products are to be imported.
- b. Seller will provide such documentation and other assistance as Buyer may request to allow Buyer to claim drawback of duties and taxes on products or articles manufactured from products provided under the Purchase Agreement.
- c. Seller will accurately indicate the country of origin of the products provided under the Purchase Agreement on the customs invoice and other applicable documentation. Seller will provide certificates of origin relating to such

products within the meaning of the rules of origin of the NAFTA preferential duty provisions and execute such other documents as may be necessary for Buyer to claim duty preference under any applicable programs.

12. SERVICES/LIENS; SITE RULES; INSURANCE

- a. Seller will obtain from all of its subcontractors waivers and releases of all liens which may be imposed by them against the products provided under the Purchase Agreement or Buyer's premises or the improvements thereon, and Seller will defend, indemnify, and hold harmless Buyer with respect thereto.
- b. Prior to performing any services on Buyer's premises, Seller will obtain, and thereafter maintain at all times, the following minimum insurance coverages: (i) Worker's Compensation insurance as required under the applicable laws of the jurisdiction in which the services are to be performed; (ii) Employers' Liability insurance as required under the applicable laws of the jurisdiction in which the services are to be performed, subject to a limit of \$1,000,000; (iii) Comprehensive General Liability insurance with a combined single limit of \$2,000,000 for bodily injury and property damages; (iv) Automobile insurance for owned or hired vehicles covering bodily injury, death and property damage, with a combined single limit of \$1,000,000 per occurrence and in the aggregate and (v) Additional Umbrella Coverage with aggregate limits of \$5,000,000. All required insurance must be with companies licensed in the jurisdiction in which the services are performed and acceptable to Buyer. No insurance will be deemed to be in effect until satisfactory certificates thereof are delivered to Buyer, containing provisions requiring the insurance carrier to notify Buyer at least thirty (30) days prior to any expiration or termination of, or material change to the policy. In addition, all such policies shall name Buyer as an additional insured, specifically insure Buyer for its own negligence and other culpable conduct and contain a waiver of subrogation against Buyer. Seller will also require insurance from all of its subcontractors with the same coverage and limits.
- c. It is agreed that Seller in rendering any services on Buyer's premises, will be an independent contractor and that neither Seller nor any principal, partner, agent or employee of Seller is the legal representative of Buyer for any purpose whatsoever and has no right or authority to assume or create, by action, in writing or otherwise, any obligation of any kind, express or implied, in the name of or on behalf of Buyer and neither Seller nor any principal, agent or employee of Seller shall be entitled to or be eligible to participate in any benefit program extended by Buyer to its employees.
- d. All Sellers' employees provided services under the Purchase Agreement must be authorized to work in the jurisdiction where the services are performed.

13. INDEMNIFICATION

Seller will fully defend, indemnify, hold harmless and reimburse Buyer, its officers, directors, shareholders, employees, agents, customers and assigns from and against all claims, suits, action, proceedings, damages, losses and expenses, including attorneys' fees, arising out of, related to, or resulting from: (i) any breach of any representation,

warranty, certification, covenant or agreement made by Seller in the Purchase Agreement; (ii) any negligence or willful misconduct of Seller, or its agents or subcontractors in connection with performance under the Purchase Agreement; (iii) any litigation, proceeding or claim by any third party relating to the obligations of Seller under the Purchase Agreement; and (iv) Seller's use, control, ownership, or operation of its business and facilities, except to the extent caused by the negligence of Buyer. Seller agrees to include this clause in any subcontracts issued hereunder.

14. BUYER'S PROPERTY

Unless Buyer otherwise agrees in writing, all tools, equipment or other materials furnished to Seller by Buyer are the personal property of Buyer. Whenever practical, Seller will adequately identify Buyer's property and safely store it separate and apart from Seller's property. Seller will not substitute any property for Buyer's property and will use such property only for fulfilling its obligations under the Purchase Agreement. While in Seller's custody or control, Buyer's property will be held at Seller's risk, kept insured by Seller at Seller's expense, and subject to removal at Buyer's request.

15. FORCE MAJEURE

- a. Any non-performance or delay in performance of any obligation of Seller or Buyer under the Purchase Agreement will be excused to the extent such failure or non-performance is caused by "Force Majeure." "Force Majeure" means any cause preventing performance of an obligation under the Purchase Agreement which is beyond the reasonable control of the Seller or Buyer, and which, by the exercise of due diligence, could not be overcome, including without limitation, fire, flood, sabotage, shipwreck, embargo, explosion, strike or other labor trouble, accident, riot, acts of a government authority, and acts of God. In no event shall Seller's ability to sell products or services at a better price or Seller's economic hardship in buying raw materials necessary to manufacture products at a commercially reasonable price constitute Force Majeure.
- b. If Buyer or Seller is affected by Force Majeure, it will (i) promptly provide notice to the other party, explaining the full particulars and the expected duration of the Force Majeure and (ii) use its best efforts to remedy the interruption or delay if it is reasonably capable of being remedied. In the event of Force Majeure, deliveries or acceptance of deliveries of products or services which have been suspended will not be required to be made up on the resumption of performance and, to the extent not otherwise permitted under the Purchase Agreement, Buyer will have the right to purchase products and services from other sources during the period of Force Majeure. If a Force Majeure extends for more than sixty (60) days, the Purchase Agreement may be terminated upon written notice by the party not declaring Force Majeure without any liability on its part.
- c. If a Force Majeure compels Seller to allocate deliveries of products or services, Seller will make such allocation in a manner that ensures Buyer at least the same proportion of the Seller's total output as was purchased by Buyer prior to the Force Majeure. Seller will use best efforts to source products or other items, at

Seller's expense, from its own or its affiliates' global operations or the market in order to meet Buyer's required delivery dates.

16. TERMINATION

Buyer or Seller may terminate the Purchase Agreement upon thirty (30) days' prior written notice if the other party breaches any material term thereof or files for bankruptcy; provided, however that during such notice period, the party in default may cure its default and thereby abate the termination. In the event Seller has not complied in any respect to Sections 7, 8 or 9 above, Buyer shall have the right to immediately terminate the Purchase Agreement, without further compensation to the Seller. In addition, Seller shall compensate Buyer for any damages suffered by Buyer as a result of Seller's breach of Sections 7, 8 or 9 above. After receipt of a notice; (ii) place no further subcontracts or purchase orders for materials, services or facilities, except as necessary to complete the continued portion of the Purchase Agreement; and (iii) terminate all subcontracts to the extent that they relate to the work terminated.

17. ACCESS AND AUDIT

In Order to assess Seller's work quality and compliance with the Purchase Agreement, Seller will permit Buyer reasonable access to (i) all locations where work is performed in connection with the products or services provided for in the Purchase Agreement, and (ii) Seller's books and records relating to the Purchase Agreement.