

KEYSTONE SOLUTIONS GROUP (“Buyer”) – PURCHASE ORDER
Terms and Conditions

1. ACCEPTANCE AND COMPLETE AGREEMENT. This Purchase Order (“Order”) is Buyer’s offer to Seller and is not an acceptance by Buyer of any offer to sell by Seller or of any terms and conditions contained in any such offer. This Order will be deemed accepted by Seller if: (1) Seller signs the Order or otherwise provides its written acceptance; or (2) Seller delivers the goods or services in accordance with the Order. Any additional or different terms proposed by Seller are objected to and rejected unless expressly assented to in writing by Buyer. This Order is a complete and exclusive statement of the terms and conditions of the agreement between Buyer and Seller.

2. INVOICES AND PAYMENT. Invoices will be paid according to the specified payment terms herein. Unless otherwise specified herein, payments will only be made following acceptance of full shipment, in the case of goods, and performance, in the case of services. The prices for all goods and services purchased under this Order include all taxes and import and export duties of whatever nature, except state and local sales taxes. State and local sales tax will be added to the prices, as applicable, and stated as a separate item on each invoice with every Order. Seller is solely responsible for all penalties, interest, additional taxes, or other charges that are demanded from, levied, or assessed against Buyer as a result of any delay or failure by Seller to pay a tax, file a return, or provide information required by law or this Order. Following receipt of notice, Seller must immediately pay any such amounts and reimburse Buyer for any costs incurred by Buyer in connection with any demand, levy, or assessment.

3. DELIVERY. The obligation of Seller to meet the delivery date specification and quantities goes to the essence of this Order. Time is of the essence in this contract. Goods shall be delivered to Buyer at its address specified herein. If delivery of items or rendering of services is not completed by items provided for or established herein, Buyer reserves the right, without liability, in addition to and without waiving any of its other rights and remedies under this contract by notice effective when received by Seller, as to any or all stated items not yet shipped or services not yet rendered, to purchase substitute items or services elsewhere and charge Seller with any loss, damage, or excess cost incurred by Buyer; and Seller agrees to promptly reimburse Buyer for any such loss, damage, or costs. Seller shall not be liable for damages, however resulting, from delays due to causes beyond its control, such as acts of God, fire, strike, and acts of Government, provided such delay is not due to the fault or negligence in whole or in part of Seller or its vendors, contracts, suppliers, or agents. Any provision herein for delivery of goods or rendering of services in installments shall not be construed as making the obligations of Seller severable. Buyer reserves the right to return early deliveries or excess or short shipments at Seller’s expense. Seller shall make no charges for boxing, crating, or carting unless previously agreed to in writing by Buyer. Seller shall comply with the shipping instructions specified by Buyer.

4. TITLE AND RISK OF LOSS. Unless otherwise expressly provided herein, title and risk of loss to goods shall pass to Buyer only at the time that conforming goods are received and accepted by Buyer at Buyer’s facility.

5. INSPECTION AND REJECTION OF GOODS. All goods furnished hereunder shall be subject to inspection and testing at destination, notwithstanding any previous inspection, and Seller shall be given notice of any defects other than latent defects within a reasonable time after receipt of the goods and all records required to be furnished therewith. Buyer may reject or require the prompt correction in place or otherwise of any goods which are defective in material or workmanship, fail to meet specifications, drawings and/or data furnished by Buyer, or otherwise fail to meet the requirements of this Order, including Seller’s express or implied warranties. Buyer may, in addition to any rights it may have by law, prepare for shipment and ship the goods to Seller, require Seller to remove them, or direct their correction or replacement, including the repair or replacement of the product in which the good is a component, and the expenses of any such action, including labor and transportation both ways, if any, shall be borne by Seller. If Seller fails to remove, to replace, or correct such goods within ten (10) working days, Buyer may replace, correct, or remove such goods at Seller’s expense, including any excess cost. Payment for any or all of the goods or services supplied hereunder shall not constitute acceptance by Buyer. Nothing in this paragraph shall in any way limit Buyer’s rights under Paragraph 9.

6. CHANGES. Any discrepancies, omissions, or lack of clarity in drawings, specifications, or purchase orders, must be referred to Buyer for written interpretation before this Order is processed. Buyer may at any time make changes or additions within the general scope of this Order, which includes, but is not limited to, changes in quantities, in drawings and specifications, in delivery schedules, and in methods of shipment and packaging. If any such changes cause any increase or decrease in the cost or the time required for performance of this Order, Seller shall notify Buyer in writing within ten (10) working days of receipt of notice of the change, and an appropriate equitable adjustment will be made in the price and/or time of performance, by written modification of this Order signed by Buyer.

7. TERMINATION. Buyer shall have the right to terminate this Order, in whole or in part, without cause, upon notice in writing to Seller specifying the effective date of termination. Seller shall thereupon, as directed, cease work and at Buyer’s option, deliver to Buyer all completed and partially completed goods, materials, and work-in-progress. Buyer shall pay Seller the following, which in no event shall exceed the total price provided herein: (1) the price provided in the Order for all goods which have been completed prior to termination and which are accepted and delivered to Buyer; or (2) the actual expenditures, including reasonable cancellation charges paid by Seller on account of the commitment made under this Order, on the uncompleted portion of the Order which is delivered to and accepted by

Buyer. Buyer reserves the right to cancel this Order, partially or entirely, in the event: (1) the goods fail to conform with any warranty specified in Paragraph 9 of this Order; (2) Seller fails to make deliveries as specified in this Order; or (3) Seller breaches any other terms and conditions of this Order. Buyer may immediately cancel this Order in the event of the following: (1) insolvency of Seller; (2) the filing of a voluntary petition of bankruptcy; (3) the filing of an involuntary petition to have Seller declared bankrupt; (4) the appointment of a receiver or trustee for Seller; or (5) the execution by Seller of assignment for the benefit of creditors. In the event of any such cancellation, Buyer, without prejudice to any other rights available to it for breach of this Order, shall have the right: (1) to refuse to accept delivery of goods; (2) to recover from Seller all payments made therefore including freight, storage, handling, and other expenses incurred by Buyer and to be relieved from liability for any future payments to Seller; (3) to recover any advanced payments made to Seller for undelivered or returned goods; and (4) to purchase elsewhere and charge Seller with any resulting losses.

8. WORK ON PREMISES. If this Order requires operations by Seller on the premises of Buyer or one or more of Buyer's customers, Seller agrees, whether not a separate charge made therefore, that Seller, in performing such services, is not and shall not be deemed to be the agent or employee of Buyer. Seller assumes full responsibility for its acts and omissions and agrees to save Buyer harmless from any claims whatever arising therefrom.

9. WARRANTIES. Seller warrants that the goods to be supplied under this order are fit and sufficient for the purpose intended, are merchantable, of good quality, will conform to the design, specifications, drawings, samples, or other description referred to in this Order and will perform as specified herein and will be free from defects in material and workmanship, liens, encumbrances, and liabilities whatsoever. Seller represents and warrants that it has good title to the goods supplied and that they are free and clear from all liens and encumbrances. Seller shall defend Buyer's title to the goods against all claims of any third persons and shall indemnify and hold harmless Buyer from any direct, indirect, consequential, incidental, special, and economic damages for which Buyer may become liable in contract or tort where Seller's products are unfit for the purchase intended by Buyer or any end user. Said warranties contained herein shall extend to Buyer, Buyer's customers, and users of Buyer's products and services. Buyer's rights in the event of a breach of warranty by Seller shall include, but are not limited to, the rights under Paragraph 5, in addition to any other legal or equitable rights or remedies it may possess.

10. INDEMNITY AND INSURANCE.

a. Intellectual Property Indemnity. Seller, at its expense, shall protect, defend, and indemnify Buyer, Buyer's customers, and any persons claiming under Buyer, against all claims and proceedings alleging infringement of any United States or foreign patent, letter, or trademark by any goods delivered under this Order, and Seller shall hold them harmless from any resulting liabilities and losses, provided Seller is reasonably notified of such claims and proceedings.

b. General Indemnity. Seller agrees to indemnify, defend and hold harmless Buyer, its agents, and employees

from and against any and all expenses, claims, demands, losses, damages, actions, or liability of any kind, including reasonable attorney's fees incurred for any and all damage or injury of any kind or nature whatever (including death) to all persons, (including those employed by Seller) or property (hereafter collectively referred to as "**Damage**") which is caused by, arises out of, on account of, or as a result of: (i) breach by Seller of any of its representations, warranties, covenants and/or any agreements contained herein; (ii) any act or omission of Seller, its agents, employees, representatives or subcontractors or failure to comply with the terms hereof; or (iii) any alleged infringement of any patent or other proprietary right, by reason of the sale or use of the goods and/or services furnished under this Order

c. Insurance. Seller shall maintain such public liability insurance, including products liability, completed operations, contractors liability and protective liability, automobile liability insurance (including non-owned automobile liability) and Workmen's Compensation, and employer's liability insurance as will adequately protect Buyer all Damages described in this Paragraph 10. Seller agrees to submit certificates of insurance evidencing its insurance coverage upon Buyer's request.

11. COMPLIANCE WITH LAW. In the performance of this Order, Seller will comply with all applicable Federal, State, and local laws and ordinances and all lawful orders, rules, and regulations thereunder, including the Fair Labor Standards Act, 1938, as amended (29 U.S.C. Sec. 201-219), the Walsh-Healey Public Contracts Act, as amended (41 U.S.C. Sec. 34-35), the Contract Work House Standards Act (40 U.S.C. Sec. 327-330), the Occupational Health and Safety Act (Pub. L. 91-596), and all lawful rules and regulations thereunder. Seller further agrees to defend, indemnify, and hold Buyer harmless from any and all Damages, for the failure of the items furnished under this Order to so comply.

12. ASSIGNMENT AND DELEGATION. No assignment or transfer of any rights, including rights to money due or to become due hereunder, or delegation of any duties under this Order shall be binding upon Buyer until its written consent has been obtained.

13. CONFIDENTIALITY. Seller shall not disclose any information concerning this Order to any third parties except as herein specified without first obtaining the written consent of Buyer in each instance. Acceptance of this Order constitutes an agreement by Seller whereby all prints, documentation, dimensions, parts, and/or prototypes developed for or in conjunction with Buyer will be held in the strictest confidence, are the sole property of Buyer, and shall be returned to Buyer upon request, without Seller retaining any copies, summaries or extracts. No attempt will be made to market for other customers or Seller's own use, these or similar parts and/or products developed from Buyer's concepts, prints, or prototypes. No patent application is to be made by Seller in connection with any design development without prior written approval of Buyer. At Buyer's request, the parties shall execute a supplemental Confidentiality Agreement. Any trade secret disclosed by Buyer to Seller shall be protected from disclosure by Seller to the same extent as Seller's most confidential information, and shall be used by Seller only for the purposes of fulfilling Buyer's Order.

14. PUBLICITY. Seller may not use the names of Buyer, its affiliates, or products or any signs, markings, or symbols from which a connection to Buyer may, in Buyer's sole judgment, be reasonably inferred or implied, in any manner whatsoever without Buyer's prior written approval. Buyer may withhold approval at Buyer's sole discretion.

15. WAIVER. Waiver of any default or series of defaults by Buyer does not constitute a permanent waiver of any of Buyer's rights or entitlements and does not bar enforcement by Buyer of any provision contained in this Order.

16. APPLICABLE LAW, DISPUTE RESOLUTION. This Order shall be governed by, and construed in accordance with, the laws of the state of Michigan, without giving effect to the conflict of law principles in Michigan. Any and all disputes, controversies, or claims arising out of or in connection with or relating to this Agreement, or any breach or alleged breach thereof, shall, on the request of either party, be submitted to and settled by arbitration in Kalamazoo, Michigan, pursuant to the rules, then in effect, of the American Arbitration Association (or at any other place or under any other form of arbitration mutually acceptable to the parties involved). This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. Notice of the demand for arbitration shall be filed, in writing, with the other party within a reasonable time after the claim, dispute, or other matter in question arose where the party asserting the claim should reasonably have been aware of it, but in no event later than the applicable Michigan statute of limitations. Both parties shall be entitled to discovery which shall be supervised by the arbitrator. Cost of arbitration shall be shared equally by the parties, provided that each party shall pay for and bear the cost of his or her own experts, evidence, and attorney fees. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction to do so..

17. SURVIVAL. Any provisions set forth in this Order that contemplate performance or observance following its termination or expiration, including, but not limited to, insurance, indemnity, confidential information, publicity, assignment, governing law, warranties, or representations survive the completion of performance, cancellation, or termination of this Order.

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