

CAMPBELL GRINDER COMPANY

TERMS AND CONDITIONS FOR PURCHASE

Revision date: 10/29/2013

Page 1 of 6

These terms and conditions are incorporated into each purchase order issued by Campbell Grinder Co. ("Buyer") as if fully restated in such purchase order and shall be accepted by Seller by shipment of goods, performance of services, commencement of work on goods, written acknowledgement, or any other conduct of Seller which recognizes the existence of a contract pertaining to the subject matter hereof. BUYER OBJECTS IN ADVANCE TO THE INCLUSION OF DIFFERENT TERMS PROPOSED BY SELLER IN ITS ACCEPTANCE OR ACKNOWLEDGMENT OF THE PURCHASE ORDER. THE INCLUSION OF SUCH TERMS BY SELLER WILL BE OF NO SIGNIFICANCE, SUCH TERMS WILL NOT BE CONDITIONS OR ADDITIONAL TERMS TO THE PURCHASE ORDER, AND BUYER'S ACCEPTANCE OF SELLER'S GOODS SHALL NOT BE DEEMED AS ACCEPTANCE OF SUCH TERMS UNLESS THEY ARE ACCEPTED IN WRITING BY BUYER, NOTWITHSTANDING BUYER'S ACCEPTANCE OR PAYMENT FOR ANY SHIPMENT OF GOODS OR SIMILAR ACT OF BUYER.

- 1. OFFER AND ACCEPTANCE.** Unless otherwise stated on the face of a purchase order, the purchase order is Buyer's offer to Seller and does not constitute an acceptance by Buyer of any offer to sell or proposal by Seller. Any reference herein to any such offer or proposal by Seller is solely for the purpose of incorporating the description and specifications of the subject matter thereof into a purchase order and then only to the extent that such description and specifications appear on the face of an order. Buyer reserves the right to revoke this offer at any time prior to its acceptance by Seller. This offer shall expire fifteen (15) days after its issue date unless accepted by Seller or extended in writing by Buyer. Acceptance by Seller shall be accompanied by written acknowledgement of this purchase order within five (5) days after receipt.
- 2. DELIVERY AND SHIPPING.** All goods must be shipped at the most advantageous rates unless otherwise authorized in writing by Buyer. Any extra expense in effecting delivery of goods not so shipped may be charged to Seller. Adequate scheduling of shipment of goods shall be made by Seller in the delivery dates included within the purchase order and is essential to Buyer. Shipments shall be strictly in accordance with Buyer's delivery schedule, and in the event of late deliveries, Buyer may charge Seller a late fee of up to 5% of the purchase price of the goods. In addition, Buyer may refuse delivery of goods made more than three (3) days in advance of scheduled delivery date and may return such goods at Seller's expense or retain such goods and postpone payment until it would have been due if Seller had delivered goods as scheduled. If Seller encounters or anticipates difficulty in meeting the delivery schedule, Seller shall immediately notify Buyer in writing, giving all details of such delay; provided, however, that the receipt of such information shall be for information purposes only and shall not be considered a waiver by Buyer of any delivery schedule or of any rights or remedies provided by law or the purchase order. Buyer assumes no obligation for materials shipped in excess of quantity shown on the purchase order. Unless otherwise indicated on a purchase order, delivery of all goods shall be D.D.P. Buyer's facility. Buyer reserves the right to reschedule deliveries to future dates so long as such rescheduled dates are communicated to Seller in writing at least fourteen (14) days before original delivery date.
- 3. FORCE MAJEURE.** Neither party shall be liable for damages resulting from delays arising out of causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, acts of the government, fires, floods, strikes, and freight embargoes, nor shall such delay affect the remainder of the purchase order. Seller will notify Buyer in writing immediately, but in no event later than three (3) days after the beginning of any force majeure cause for delay, in the absence of which Seller waives its right for an excuse for such delay. In the event force majeure affects Seller and continues for a period in excess of thirty (30) days, Buyer may, at its option, use a replacement supplier



Campbell Grinder
Company

1226 East Pontaluna Road
Spring Lake, Michigan 49456

Phone (231) 798-6464
Fax (231) 798-6466

www.campbellgrinder.com

CAMPBELL GRINDER COMPANY

TERMS AND CONDITIONS FOR PURCHASE

Revision date: 10/29/2013

Page 2 of 6

and Seller shall reimburse Buyer for the difference in price plus reasonable costs incurred by Seller. Nothing herein shall limit Buyer's right to terminate the purchase order in accordance with Section 13 (Stop Work Order). This Section shall not relieve Seller of its obligations where such force majeure event(s) affect third party providers selected by Seller, unless Buyer expressly directed the use of that particular party.

4. **PACKING.** An itemized list of contents must be placed in each package bearing Buyer's purchase order number(s), part number(s), quantities and plant location. No charge will be allowed by Buyer for packing unless previously agreed upon in writing. All expenses incurred by Seller's failure to furnish necessary shipping documents shall be charged to Seller. Seller agrees to prepare and properly box or crate goods for shipment so as to prevent damage in transit, to comply with Buyer's shipping instructions and/or routings.
5. **INVOICING, PRICE AND PAYMENT, SET OFF.** Packing lists in duplicate and itemized invoices (by item and by container), each bearing Buyer's purchase order number, must accompany each delivery with a copy also mailed on the day of shipment. Bill of lading must be attached to your invoice. Buyer's purchase order number must immediately follow Buyer's name. Failure to attach bill of lading to your invoice or errors or omissions in the invoice will delay payment and discount period will begin when the corrected documents are received. Except as otherwise stated on the face of the purchase order, the terms of payment are net sixty (60) days from the invoice date. An order may not be invoiced at a higher price than shown on a purchase order and Buyer must authorize any changes to the price in writing. Seller warrants that prices charged for the goods are not higher than those charged to any customer, including the government, for goods of like grade and quality and similar or lesser quantities. Prices include all charges such as packaging, packing and shipping. Amounts owed to Buyer due to rejections of goods or services, or discrepancies on paid invoices will be, at Buyer's option fully credited against future invoices payable by Buyer or paid by Seller within thirty (30) days from Seller's receipt of a written request for payment from Buyer. Buyer shall have the right at any time to set off any amount owing from Seller to Buyer against any amount payable by Buyer, pursuant to this purchase order. Under no circumstances shall Buyer pay a restocking or late fee.
6. **TAXES.** Seller shall pay all taxes and/or duties of every kind imposed, levied, or assessed by any governmental authority with respect to the goods or work, including taxes for labor, materials and equipment utilized in connection therewith, and all taxes, except sales, use, and other taxes imposed upon the sale or transfer of goods for which Buyer is solely responsible and which are itemized on the purchase order. Seller shall indemnify Buyer against all such taxes and/or duties.
7. **INSPECTIONS AND TESTING.** Buyer shall have the right to expedite, inspect and test any of the goods or work covered by the purchase order prior to shipment. Seller shall inspect all goods prior to shipment and all goods are also subject to inspection and approval on arrival by Buyer (or Buyer's designee if the destination for the goods is other than the Buyer's site). Seller shall be responsible for all costs of reasonable inspection incurred by Buyer if defects are identified from such inspection. If rejected, Buyer may return non-conforming goods to Seller for credit, refund of purchase price, or replacement, at Buyer's option, with Seller bearing all costs and risk of loss. Such inspection, or the waiver thereof, however, shall not relieve Seller from full responsibility for furnishing goods and work conforming to the requirements of the purchase order, nor prejudice any claim, right or privilege Buyer may have because of the use of defective or unsatisfactory goods or work. Buyer shall have the right to modify the price and terms if the goods do not conform to the requirements of the purchase order (including, but not limited to, capacity and/or quality). Goods shall be deemed non-conforming if they



Campbell Grinder
Company

1226 East Pontaluna Road
Spring Lake, Michigan 49456

Phone (231) 798-6464
Fax (231) 798-6466

www.campbellgrinder.com

CAMPBELL GRINDER COMPANY

TERMS AND CONDITIONS FOR PURCHASE

Revision date: 10/29/2013

Page 3 of 6

fail to conform in any way with the requirements of this purchase order. Seller shall authorize return of non-conforming goods within twenty-four (24) hours of notification of rejection at the Sellers expense.

8. **WARRANTY.** All goods and services furnished by Seller and any services or installation relating thereto pursuant to the purchase order shall (a) conform to all specifications, drawings, samples or other descriptions furnished, specified or adopted by Buyer and to all other requirements of the purchase order, (b) be free from defects in title and any claims thereof (including but not limited to intellectual property infringement), (c) be warranted to be of the best quality of their respective kinds and to be free of defects in design, workmanship, or material, and (d) when known to Seller fit for their intended purposes. In the event of breach, Seller shall take all necessary actions, at Seller's expense, to correct such breach in the most expeditious manner possible. Should Seller fail to correct any such breach in a timely manner, Buyer may proceed, at Seller's expense, to perform the necessary corrective work. This warranty shall survive any inspections, delivery, payment, and termination of the purchase order. This warranty shall also inure to the benefit of Buyer's customer or user of the goods (the "Customer") and such warranty together with Seller's service warranties and guaranties, if any, shall survive for a period of twenty four (24) months from the date of shipment to the Customer. Seller shall correct defects in goods at Seller's facility. At Buyer's option, Seller shall repair or replace all defective goods within thirty (30) days of receipt of such goods. Seller shall bear all warranty costs such as labor, material, inspection, and shipping to and from Buyer's or Buyer's designees' facilities. If Buyer incurs any such cost, it may either recover them directly from Seller or deduct them from any amounts due Seller.
9. **ASSIGNMENT AND SUBCONTRACTING.** Seller shall not assign or subcontract any portion of the purchase order without Buyer's prior written approval. Proceeds due or to become due may also be assigned by Seller only with written consent of Buyer.
10. **CHANGES.** Buyer may at any time make changes in shipping and packing instructions, quantities, drawing, designs, specifications, place of delivery and/or delivery schedules, for which an appropriate adjustment to the purchase order shall be made, unless such change is due to the fault of Seller. Any claim for adjustment under this Section shall be deemed waived unless asserted within ten (10) days from the date of receipt by Seller of the change order. Any claim by Seller for adjustment under this Section must be approved by Buyer in writing before Seller proceeds with such change.
11. **TERMINATION FOR DEFAULT.** Buyer may terminate all or any part of the purchase order by giving notice of default to Seller, if Seller: (a) refuses or fails to deliver the goods or services within the time specified; (b) fails to comply with any of the provisions of the purchase order or so fails to make progress as to endanger performances hereunder; (c) becomes insolvent or subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors; (d) assigns this purchase order, or any obligation or right under it ("assign" shall include, without limitation, a transfer of a majority interest in Seller), or merges with a third party, or (e) fails to provide adequate assurances of performance upon request by Buyer. In the event of a termination for default, Buyer's liability shall be limited to the payment for goods delivered and accepted by Buyer under the purchase order. Seller must cure any of the above breaches, except late delivery pursuant to subparagraph (a) above, for which there shall be no cure period, and notify Buyer of such cure within fifteen (15) days from receipt of a notice to cure from Buyer. If Seller fails to so cure, Buyer may terminate this purchase order by giving Seller written notice of such termination. Buyer shall have no liability except for payment for conforming goods or services delivered before the notice to cure date.



Campbell Grinder
Company

1226 East Pontaluna Road
Spring Lake, Michigan 49456

Phone (231) 798-6464
Fax (231) 798-6466

www.campbellgrinder.com

CAMPBELL GRINDER COMPANY

TERMS AND CONDITIONS FOR PURCHASE

Revision date: 10/29/2013

Page 4 of 6

- 12. TERMINATION FOR CONVENIENCE.** Buyer may terminate the purchase order at any time for its convenience, in whole or in part, in which event, Buyer's sole obligation shall be to reimburse Seller (provided it submits proof of such claims within 30 days after termination notice) for: (a) those goods actually shipped and accepted by Buyer up to the date of termination, and (b) costs incurred by Seller for unfinished goods, which are specifically manufactured for Buyer and which are not standard products of Seller, as of the date of termination, plus a reasonable profit of 20% thereon. In no event shall Buyer be responsible for loss of anticipated profit nor shall reimbursement exceed the purchase order value.
- 13. STOP WORK ORDER.** Buyer may at any time by written notice to Seller stop all or any part of the work called for by the purchase order. Upon receipt of such notice, Seller shall take all reasonable steps to minimize the incurrence of cost during the period of work stoppage and provide proof of claims within 30 days after termination. Buyer may subsequently either cancel the stop work order resulting in an equitable adjustment in the delivery schedule and/or the price, or terminate the work in accordance with the provisions of the purchase order (including these terms and conditions).
- 14. BUYER MATERIAL.** Any patterns, drawings, designs, and samples furnished to Seller by Buyer, and other property specifically paid for by Buyer and/or furnished or made available to Seller by Buyer (collectively, the "Buyer Material"), are property of Buyer and subject to removal by Buyer as provided herein, and shall be used only in filling Buyer's orders. Seller shall bear the risk of loss of, and damage to, the Buyer Material. Seller agrees to immediately return all Buyer Material to Buyer or as Buyer may direct, upon termination or completion of the purchase order or on Buyer's demand and acknowledges that it has no title in the Buyer Material. The Buyer Material shall be delivered to Buyer promptly and in accordance with Buyer's instructions, free and clear of any liens and without payment of any amount by Buyer. Seller acknowledges that its failure to return the Buyer Material to Buyer on demand shall cause Buyer to sustain irreparable harm warranting immediate and injunctive relief, and further agrees that in the event of such failure, Seller shall pay all consequential damages to Buyer, plus all attorneys' fees and costs associated with Buyer's enforcement of this Section.
- 15. INTELLECTUAL PROPERTY.** Seller agrees to promptly indemnify and hold harmless Buyer, its officers, employees, agents, representatives and any of its customers buying or using the goods and services specified herein from any loss, damage, or injury, including attorneys' fees, arising out of an assertion, claim or suit at law or equity for actual or alleged infringement of any United States or foreign patent, copyright, trademark, trade secret or other intellectual property right, by reason of the buying, selling offering for sale, using, importing the goods supplied under the purchase order. Seller will immediately pay all fees, costs and expenses incurred by Buyer, its officers, employees, agents, representatives and customers in defense and investigation of any such intellectual property lawsuit and/or threat thereof, including incidental damages and any developments of goods to replace those accused. Buyer shall have sole authority to select defense attorneys, determine defense strategy and settle any intellectual property suit brought against Buyer (or Seller if such suit may impact the purchase, use or resale of purchased goods). Seller must promptly inform Buyer of any threatened or actual lawsuits.
- 16. CONFIDENTIAL INFORMATION AND USE OF BUYER'S NAME.** Seller agrees not to make any use of data, designs, drawings, specifications and other information furnished to it by Buyer, or developed, conceived or created by Seller under the purchase order except for the performance of the purchase order, and Seller further agrees not to disclose such data, designs, drawings, specifications and other information to others except for the performance of the purchase order under similar



Campbell Grinder
Company

1226 East Pontaluna Road
Spring Lake, Michigan 49456

Phone (231) 798-6464
Fax (231) 798-6466

www.campbellgrinder.com

CAMPBELL GRINDER COMPANY

TERMS AND CONDITIONS FOR PURCHASE

Revision date: 10/29/2013

Page 5 of 6

restrictions against use and disclosure. The purchase order is confidential between Buyer and Seller, and it is agreed by Seller that none of the details connected herewith shall be published or disclosed to any third party without Buyer's written permission. Seller will not, without the prior written consent of Buyer, in any manner publish the fact that Seller has furnished or contracted to furnish Buyer goods and/or services, or use the name or trademarks of Buyer, its products, or any of its associated companies in Seller's advertising or other publication. Seller will not place its, or any third party's trademark or other designation on the goods if the product bears a Buyer trademark or an identifying mark specified by Buyer, or if the product is peculiar to Buyer's design.

- 17. RISK OF LOSS AND TITLE.** Seller assumes the following risk: (a) all risks of loss or damage to all goods, work in process, materials and other things until the delivery thereof as herein provided; (b) all risks of loss or damages to third persons and their property until delivery of all goods as herein provided; (c) all risks of loss or damage to any property received by Seller from or held by Seller or its supplier for the account of Buyer, until such property has been delivered to Buyer, and (d) all risk of loss or damage to any of the goods or part thereof rejected by Buyer, from the time of shipment thereof to Seller until redelivery thereof to Buyer. Title to the goods shall transfer from Seller to Buyer upon the delivery thereof as herein provided, except in the case of progress payments, title to such portion of the goods which have been completed shall pass to Buyer upon receipt of such progress payments and Seller shall hold such goods as a bailee at will.
- 18. INSURANCE AND INDEMNIFICATION.** Seller shall carry comprehensive general liability insurance, including contractual and product liability coverage, with minimum limits acceptable to Buyer, but in no event less than \$1,000,000 per occurrence. Seller shall, at the request of Buyer, supply certificates and policies evidencing such coverage. Seller agrees to indemnify, defend, and hold Buyer and its subsidiaries, affiliates, successors, and customers, and its and their officers, directors, employees, agents, and other representatives (collectively, "Indemnified Parties"), harmless against any and all liabilities, damages (including, without limitation, consequential and incidental damages and lost profits), losses, claims, personal or property injuries, and expenses (including, without limitation, attorneys' fees) which are or may be incurred by any Indemnified Party by reason of or in connection with: (a) any breach or violation of this purchase order; or (b) any actions or omissions of Seller or its employees, subcontractors, agents or other representatives. Buyer has the right to be represented by and actively participate through its own counsel in any such suit or proceeding, all at Seller's expense, that is subject to these indemnification obligations. These indemnification obligations shall be in addition to any warranty obligations of Seller.
- 19. LAW AND REGULATIONS.** Seller shall comply with all applicable federal, state and local laws and statutes.
- 20. NOTICES.** All notices required or permitted to be given hereunder shall be deemed to be properly given if delivered in writing personally, or sent by United States certified or registered mail, or sent by private overnight delivery service, addressed to Seller or Buyer, as the case may be, at the address set forth on the face of the purchase order, with postage thereon fully prepaid. Releases, estimates, changes and specifications, and shipment notifications may be sent by confirming facsimile or e-mail, and shall be confirmed by mail as described above. The effective time of notice shall be at the time of such sending, mailing or personal delivery.
- 21. AUTHORIZATIONS.** All authorizations of Buyer required or permitted to be given herein shall be deemed properly given only if given in writing by an authorized purchasing representative of Buyer.



Campbell Grinder
Company

1226 East Pontaluna Road
Spring Lake, Michigan 49456

Phone (231) 798-6464
Fax (231) 798-6466

www.campbellgrinder.com

CAMPBELL GRINDER COMPANY

TERMS AND CONDITIONS FOR PURCHASE

Revision date: 10/29/2013

Page 6 of 6

22. **WAIVER.** No waiver by Buyer of any breach of the purchase order whether granting of an extension for performance hereunder shall be deemed to be a waiver of any other or subsequent breach.
23. **ENTIRE AGREEMENT; AMENDMENT.** The purchase order, the terms and conditions, and any attachments constitute an agreement between Buyer and Seller and their respective permitted assigns. No change to the purchase order, the terms and conditions, or any attachments hereto or thereto and incorporated herein or therein shall be valid and binding on either party unless reduced to writing and signed by authorized representatives of both parties.
24. **GOVERNING LAW; VENUE.** The purchase order shall be governed, interpreted and construed by, and in accordance with, the laws of the State of Michigan without regard to the conflicts of laws provisions thereof. Any and all actions concerning any dispute arising hereunder shall be filed and maintained in the Circuit Court of Ottawa County, Michigan or the federal District Court for the Western District of Michigan. The parties specifically consent and submit to the jurisdiction and venue of such state or federal court, and irrevocably waive any objections either may have based on improper venue or forum non conveniens to any proceeding in any such court.
25. **SURVIVAL.** The obligations of Sections 4, 6-9, 14-22 and 24-25 shall survive the cancellation, termination, or completion of the purchase order.
26. **PRIORITY.** If any of the terms set forth herein, other than Sections 9-10, 12-13, 15, 18-19 and 24, conflicts with any terms set forth on the face of the purchase order that incorporates these terms by reference, then the terms on the face of such purchase order shall control with respect to the purchase order. In the event of a conflict, the order of priority is as follows: (1) typed or handwritten provisions on the face hereof; (2) attachments or exhibits; and (3) these terms and conditions.



Campbell Grinder
Company

1226 East Pontaluna Road
Spring Lake, Michigan 49456

Phone (231) 798-6464
Fax (231) 798-6466

www.campbellgrinder.com