

## BURGESS-NORTON MFG. CO. GENERAL TERMS AND CONDITIONS (Updated October, 2020 TR)

**1. ACCEPTANCE** Buyer acknowledges and agrees that these General Terms and Conditions are incorporated in, and are a part of this contract and each purchase order, release, requisition, work order, shipping instruction, specification and other document, whether expressed in written form, by electronic data interchange or other tangible form, relating to the goods and/or services to be provided by Seller pursuant to this contract (such documents are collectively referred to as this "contract"). This Contract limits acceptance by Seller the terms condition and specifications contained herein. In the event of a conflict or inconsistency between this Contract and any purchase order, release, requisition, work order or other document, the terms and conditions of this Contract will control. Buyer acknowledges and agrees that it has read and understands these General Terms and Conditions. Seller rejects any additional or different terms, conditions or specifications proposed by Buyer, whether stated in Buyer's purchase order release requisition, work order or any other document.

**2. SHIPPING AND BILLING** 2.1 Shipping All goods, products or materials (referred to interchangeably in this purchase order as "goods") shall be packed, loaded, stored, marked and shipped in a manner so as to secure lowest transportation costs and meet Buyer and carrier requirements. Any expenses incurred due to Seller's failure to follow shipping instructions will be borne by Seller and may be deducted by Buyer from Seller's invoice. 2.2 Billing Transportation terms are FCA (INCOTERMS 2020), and the named place of delivery is the address indicated on the purchase order, unless otherwise stated. Seller must list the Buyer's purchase order number on all documents. The seller must carry out any export formalities and the buyer carries out any import formalities, such as the terminal fee. The goods are delivered when, having been loaded on the seller's means of transport, they reach the named place and are ready for unloading from that seller's means of transport and at the disposal of the carrier or of another person nominated by the buyer. The Seller must use all efforts to follow the Buyer's shipping matrix for carrier selection. If deviating from the Buyer's shipping matrix, the Seller should inform the Buyer. Should the Seller be importing the goods from outside of the continental United States, the Buyers freight forwarder is Landstar Global Logistics, located at 411 E Roosevelt Road, Wheaton IL 60187 Tel: 630 597 2000, and should be alerted to the shipment. All shipments must use International Standards for Phytosanitary Measures No. 15 (ISPM-15) compliant international pallets and wood packaging, and that goods must be marked in English with the country of origin. 2.3 Delivery Schedules If Seller fails to meet delivery requirements for any reason including, without limitation, reasons beyond Seller's control, then Buyer may, at its option, cancel this purchase order in whole or in part. All goods shall be subject to Buyer's final inspection and acceptance, but such inspection or acceptance shall not relieve Seller from any obligations or liability under this purchase order. Because goods may be received and put in inventory or storage without examination until such goods are to be used or resold, inspection and acceptance shall not be deemed to have occurred prior to actual inspection and acceptance by Buyer. Title shall pass from Seller to Buyer upon actual acceptance by Buyer. No reasonable delay in rejection or return of goods, nor payment for goods, shall be considered acceptance or waiver of Buyer's rights to reject, return or retain such goods as provided herein or by law. Any goods not in precise conformity with Buyer's specifications, ordered quantities or delivery requirements, or Seller's warranties, may be rejected, returned or retained by Buyer at Seller's risk and expense, including without limitation the cost of substitution or "cover," transportation both ways, labor and administrative expenses, reloading and trucking. 2.4 Volume Changes Seller acknowledges that volume changes like any other forward looking projections are based upon a number of economic and business factors, variables and assumptions, some or all of which may change over time. Buyer acknowledges that Seller has quoted a price pursuant to such projections, variables and assumptions and agrees that in the event of an increase or decrease in volume by more than 15% from Seller's initial quotation, Seller may re-quote the good and services provided under this Contract pursuant to such volume changes. The re-quoted shall remain in place until Buyer's order volumes return to the initial quoted volumes by Seller.

**3. SPECIFICATION , DESIGN AND SCOPE CHANGES** Buyer may request Seller to implement changes to the specifications or design of the goods or to the scope of any services or work covered by this Contract, including work related to inspection, testing or quality control. Buyer shall discuss any such changes with Seller as early as practical and Seller will endeavor to implement such changes within a reasonable timeframe. Seller will equitably determine any adjustment in price or delivery schedules resulting from such changes, including Buyers payment of reasonable costs of modifications to Seller's equipment, goods, or services (as defined in Article 14) necessary to implement such changes.

**4. QUALITY AND INSPECTION** Seller will promote continuous quality improvement in the manufacture, production and distribution of goods, or services. Seller will comply with the quality assurance processes, inspections, and standards specified by the Buyer for suppliers providing goods or services similar in nature to the good provided by Seller.

**5. NON-CONFORMING GOODS** Buyer is not required to perform incoming inspections on any goods, and Seller waives any right to require Buyer to conduct any such inspections. If goods do not conform, Buyer will inform Seller in writing about the non-conformity as soon as reasonably practical as soon after the Buyer has discovered it. The Buyer will confirm the non-conformity in writing if requested by the Seller, to do so. The Seller will be permitted to rework, replace, or otherwise remedy a non-conformity in the goods as long as: (a) the nonconformity has been discovered after delivery of the goods but before the Buyer has started to use the goods, (b) the Seller can perform the remedial work at its location, or at the Buyer's site (subject to any restrictions in any labor agreement of the Buyer) without disruption to the Buyers operations, (c) the remedial work will not cause any delay in the Buyers operations, including its production process, or cause the Buyer to incur any additional costs; and (d) the cure can be completed by the deadline established by the Buyer. Buyer and Seller shall agree to a reasonable remedial action plan as described herein. If both Buyer and Seller determine in good faith that the remedial work cannot be done as described herein, the Buyer is entitled to either reject the nonconforming goods, return them to Seller and, at the Buyers option, request redelivery of conforming goods, return them to the Seller and, at the Buyers option, request redelivery of conforming goods.

**6. FORCE MAJEURE** If Seller is unable to produce, sell or delivery any goods or services covered by this Contract, or Buyer is unable to accept delivery, buy or use any goods or services covered by this Contract, as a result of an event or occurrence beyond the reasonable control of the affected party and without such party's fault or negligence, then any delay or failure to perform under this Contract that results from such event or occurrence will be excused for only so long as such event or occurrence continues. Such events and occurrences may include, by way of example and not limitation, natural disasters, fires, floods, windstorms, severe weather, explosions, wars, sabotage, equipment breakdowns and power failures. The party claiming delay will provide other party with written notice of its occurrence as soon as practicable. In the event of a delay, the Buyer at its option may acquire possession of all finished goods, work-in-progress, and raw materials produced or acquired for the work. The Buyer reserves the right to acquire the good elsewhere for the duration of the delay and for a reasonable time afterwards to minimize production disruptions until the Seller facilities are producing the quantities required under this Contract. The Buyer may terminate this Contract, in whole or part, upon written notice to Seller if the delay has lasted more than two (2) consecutive months after the date of the written notice from the party claiming a delay is received.

**7. WARRANTY** 7.1 Seller warrants and guarantees to Buyer that during the applicable warranty period (as defined in section 7.2), the goods covered by this Contract will (a) conform in all respects to the drawings, specifications, statements of work, samples furnished from production, tooling, and equipment and other descriptions and requirements relating to the goods that have been furnished, specified or approved by Buyer, (b) Comply with all applicable Federal, state and local laws, regulations or orders, and agency or association standards or other standards applicable to the manufacture, labeling, transportation, licensing, approval or certifications thereof, (c) be merchandise, (d) be of good material and workmanship, (e) be free from defect, (f) be fit and sufficient for the particular purposes specified by Buyer. This warranty period shall be void and of no effect with respect to any good altered or modified other than by Seller's technicians. If requested by Buyer, Seller will consider entering into a separate agreement for the administration or processing of warranty chargebacks for nonconforming goods. 7.2 If any goods are reasonably determined (including by the use of statistical analysis or other sampling methodology) to fail to conform to the warranties set forth in this Contract, Seller shall repair or replace such goods. Seller will not be liable for any loss, damage or injury arising from the design, assembly, system integration or functionality of said goods. Liability shall be limited to seller's repair or replacement of said goods and under no circumstances shall Seller be liable to Buyer for labor, damage, product emissions or recall or other consequential or incidental damages.

**8. INSOLVENCY** 8.1 In any of the following or any similar events either party may immediately terminate this Contract without any liability to the other or obligation to purchase or sell raw materials, work-in-process or finished goods under Section 9 due to: (a) insolvency or financial difficulties by the other party (b) filing a voluntary petition in bankruptcy by the other party (c) filing of any involuntary petition in bankruptcy against the other party (d) appointment of a receiver or trustee for either party, (f) any accommodation by the other party, financial or otherwise, not contemplated by this Contract, that are necessary for the other party to meet its obligations under this Contract. 8.2 In the event Buyer is in bankruptcy at the time this Contract is initiated, Seller will require an advance cash payment for the goods quoted herein. Seller will not be obligated to ship goods until such advanced cash payment has been received by the Seller.

**9. TERMINATION** 9.1 Buyer or Seller may terminate this Contract in the event that (i) The other is in default of any performance, warranty or representation hereunder and such default continues uncured for thirty (30) days subsequent to written notice thereof; or (ii) The other is subject to any administrative or governmental action or measure which suspends or terminates its business; or (iii) The other should make a general assignment for the benefit of creditors, should suspend business or commit any act amounting to business failure, or should make a voluntary assignment or transfer of all or substantially all of its property; or (iv) The other discontinues its corporate existence or merges or consolidates with any other entity without the prior written consent (as to this Contract) of the other party entitled to terminate; or (v) An event identified in Section 6 herein that suspends or substantially or materially impairs the performance hereunder or the other for longer than two (2) consecutive months. 9.2 After written notice of termination is

received, Seller shall immediately terminate all work under the Contract. In addition, Seller shall (i) terminate all orders and subcontracts relating to the performance of the work terminated by the notice of termination; (ii) settle all claims arising out of such termination of orders and subcontracts; (iii) if applicable, protect any property in Seller's possession that Buyer has or may acquire an interest; (iv) submit to Buyer promptly, but not later than two (2) months from the effective date of termination claim; however, in the event of failure of Seller to submit its termination claim within such period, Buyer may determine, notwithstanding the provisions of subparagraph 9.3 Upon termination by Buyer under this paragraph, Buyer shall pay to Seller the following amounts without duplication: (i) the purchase order price for all goods which have been completed in accordance with the purchase order and not previously paid for, (ii) the actual cost of raw materials incurred by Seller in furnishing the goods and services under this Contract that cannot be re-allocated or cancelled; (iii) the actual costs incurred by Seller in accordance with the purchase order to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting practices to the terminated portion of the purchase order, including the actual cost of work in process and any other materials or goods delivered to Buyer in accordance with subparagraph 9.2 herein and including the actual cost of discharging liabilities which are so allocable or apportionable; (iv) the reasonable costs incurred by Seller in protecting property in its possession in which Buyer has or may acquire an interest; and (v) settlement costs related to capital equipment purchased by Seller to meet specific requirements by Buyer in order to perform under this Contract. 9.4 Unless otherwise agreed in writing, the obligations, liabilities, warranties, representations, rights and remedies of each of the parties accrued, made or incurred prior to or at the time of termination or expiration of this Contract shall survive such termination or expiration.

**10. INTELLECTUAL PROPERTY** Any patented or unpatented knowledge or information concerning either Party's products, production or other methods, processes, scheduling, sources of supply, customers, marketing or otherwise which that party may disclose to the other attendant or incident to this Contract shall be deemed to have been disclosed as part of the consideration hereunder and shall not be given other use, shall be retained in confidence by the Party to which disclosed, and, to the extent represented by or in samples, writings, drawings or other tangibles, shall be returned to the disclosing party simultaneously with termination under this Contract or at any time upon demand.

**11. INDEMNIFICATION** SELLER will protect, defend and indemnify BUYER, its parent company and affiliated business entities, and their respective employees, agents, officers, and directors from, and hold them harmless against, all liability, losses, damages, claims, actions, suits, proceedings, costs or expenses, including, without limitation, reasonable attorney's fees, that they may at any time suffer, incur, or be required to pay resulting from or arising out of (i) any third-party claim that Equipment is defective or negligently designed (as applicable) or negligently manufactured, or otherwise determined to be the cause of injury or death to persons, or damage to property, or both ("Third Party Claims"); or (ii) any breach or default in the performance of the obligations of SELLER hereunder, including any breach of warranty. With respect to Third Party Claims, BUYER's indemnification obligation shall not apply if and to the extent that such injury, death or damage is caused by any of the following: (a) failure on the part of BUYER to furnish instruction materials provided by SELLER for inclusion in packages in which Equipment is sold; (b) sale of Equipment by BUYER without packaging where packaging is provided by SELLER and where such packaging contains the required labeling and instructions on the use of the Equipment; (c) alteration, misuse, or improper use of any Equipment by BUYER; (d) negligent installation or repair of Equipment by BUYER; or (e) willful misconduct of BUYER. Notwithstanding the foregoing, in no event shall SELLER be liable hereunder to BUYER or BUYER's customers for any indirect, special, incidental, exemplary, punitive, or consequential damages claims, including, without limitation, lost sales, profits or revenue arising therefrom whether such claims are based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise regardless of whether or not BUYER was made aware of the potential for such claims.

**12. COMPLIANCE WITH LAWS** Seller, and any goods or services supplied by Seller, will comply with all applicable laws, rules, regulations, orders, conventions, ordinances and standards of the country(ies) of origin and destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval, performance and/or certification of the goods or services, including, but not limited to, those relating to environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Neither Seller nor any of its subcontractors will utilize slave, prisoner or any other form of forced or involuntary labor in the supply of goods or services under this Contract. Upon Buyer's request, Seller will certify in writing its compliance with the foregoing. Seller will defend, hold harmless and indemnify Buyer from and against any liability claims, demands, damages or expenses (including reasonable attorney or other professional fees and disbursements) arising from or relating to Seller's noncompliance with this article.

**13. INSURANCE** Seller will maintain, for the duration of the commercial relationship and for a period of three years after the delivery to Buyer of Seller's goods or services, at Seller's sole expense, Commercial General Liability insurance, including coverage for Products & Completed Operations and Contractual Liability for Insured Contracts with limits of not less than five million U.S. dollars (\$5,000,000) per occurrence and in the aggregate, unless otherwise noted by the Buyer, or per an agreement in conjunction with this purchase order. The required minimum limit of insurance may be met by a combination of General, Umbrella and/or Excess liability insurance. The Commercial General Liability policy shall include Buyer as an Additional Insured and allow for the waiver of the insurer's subrogation rights, which Seller does hereby agree to waive. Seller shall furnish Buyer with a certificate of insurance confirming the foregoing insurance coverages prior to the delivery of Seller's goods or services. Neither the failure to deliver a certificate of insurance by Seller nor the acceptance of a non-compliant certificate of insurance by Buyer will act as a waiver of the insurance requirements herein. Such insurance shall be placed with insurers having an AM Best rating of at least A-/VII and Buyer will receive 30 days advance written notice from Seller of any termination or reduction in the amount or scope of coverage. Seller will provide an updated certificate of insurance following each renewal of said insurance and at any other time as requested by Buyer. The existence of insurance does not release Seller of any of its obligations or liabilities under the purchase order.

**14. SELLER'S EQUIPMENT** Seller, at its expense and reasonable discretion, will furnish, keep in good condition, and replace when necessary all of its machinery and equipment, including related tooling, jigs, dies, gauges, molds, patterns, fixtures and other accessories, required for the production of goods covered by this Contract (collectively "Seller's Equipment") Seller will insure Seller's Equipment with fire and extended coverage insurance for its full replacement value.

**15. TOOLING AND MATERIALS** Buyer shall compensate Seller for the entire cost of the first set of tooling and Materials and such Tooling and Material will remain the property of Buyer ("Property") Any replacement parts, additions, improvements and accessories purchased by Seller will vest to Seller immediately upon attachment to or incorporation into said Property. Any subsequent Tooling and Material purchased for the production of goods under this Contract will remain the property of Seller.

**16. SERVICE AND REPLACEMENT PARTS** During the term of this Contract, Seller will sell to Buyer goods necessary to fulfil Buyer's service and replacement parts requirements to Buyer's customers. If the goods are systems or modules, Seller will sell the components or parts at a price reasonably determined by Seller and agreed to by Buyer. If this Contract is in effect at the end of the program, into which the goods covered by this Contract are incorporated. Seller will also sell goods to Buyer to fulfil Buyer's and its customers service and replacement parts requirements during a mutually agreed upon period following the end of such program (the "Post-Production Period") Seller may, at its discretion, provide such goods from any of its facilities provided such goods meet the specifications described in this Contract. During the Post-Production Period, the price of the service and replacement parts shall be determined by the Seller based upon relative volumes.

**17. REMEDIES AND INJUNCTION RELIEF** The rights and remedies reserved to Buyer in this Contract are cumulative with, and in addition to, all other or further remedies provided in law or equity.

**18. ANTI-CORRUPTION** Seller agrees that neither it, nor anyone acting on its behalf, will violate any anti-bribery laws or international anti-bribery standards, regardless of their technical applicability to the Seller. Further, Seller warrants and represents that it is aware of the Foreign Corrupt Practices Act ("FCPA") and is familiar with and understands its provisions and prohibitions. Seller shall not make any payment of money, or anything of value, nor make any offer, promise or payment, directly or indirectly, to (i) an officer, employee, agent or representative of any government, including any department, agency or instrumentality of any government, or any government-owned or government-controlled entity, or any person acting in an official capacity on behalf thereof; (ii) a candidate for political office, any political party or any official of a political party; or (iii) any other person or entity while knowing or having reason to believe that some portion or all of the payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity described in (i) or (ii), for the purpose of influencing any act or decision of such government official, political party, party official, or candidate in his/her or its official capacity, including a decision to do or omit to do any act in violation of the lawful duty of such person or entity, or inducing such person or entity to use his or its influence with the government or instrumentality thereof to affect or influence any act or decision, in order to obtain or retain business or gain an improper advantage in connection with this Agreement or any business venture or contract in which the Buyer is a participant or any other arrangement between Buyer and Seller. Notwithstanding anything in this Agreement to the contrary, Seller shall indemnify and hold harmless the Buyer and its affiliates, officers, directors, employees and agents from and against any and all costs or expenses relating to any violation of this section, including but not limited to the costs of the Buyer's investigation of an FCPA or other anti-bribery violation. Seller shall fully cooperate with any investigation related to a possible FCPA or other anti-bribery violation and shall provide the Buyer with complete and accurate information relating to all transactions and facts in question, including but not limited to prompt access to Seller's electronic data and e-mail correspondence and bank accounts. In the event any FCPA or other anti-bribery violation is determined by the Buyer to have occurred, and notwithstanding any provision of this Agreement to the contrary, the Buyer may immediately terminate this Agreement, without notice or opportunity to cure, and no further payments shall be made to Seller hereunder. Seller shall be required to certify compliance with FCPA on an annual basis during the term of this Agreement.

**19. NO IMPLIED WAIVER** The failure of either party at any time to require performance by the other party of any provision of this Contract will not affect the right to require such performance at any later time, nor will the waiver by either party of a breach of any provision of this Contract constitute a waiver of any succeeding breach of the same or any other provision. No failure or delay in exercising any right or remedy will operate as a waiver thereof nor will any single or partial exercise thereof preclude other or further exercise thereof. No course of dealing or course of performance may be used to evidence a waiver or limitation of Sellers obligations under this Contract.

**20. ASSIGNMENT AND CHANGE IN CONTROL** Buyer shall not assign its rights and obligations under this Contract to any party without the prior written consent of the Seller. Seller may not assign or delegate its rights or obligations under this Contract without prior written consent from an authorized employee of Buyer. In addition, Buyer may terminate this Contract upon giving at least ninety (90) days notice to Seller, without any liability to Seller or obligation to purchase raw materials, work-in-progress or finished goods under section 11, if Seller (i) offers to sell a material portion of its assets or (ii) sells or exchanges, or offers to sell or exchange, or causes to be sold or exchanged, a sufficient amount of its stock or other equity interests that effects a change in the control of Seller or (iii) executes, or otherwise becomes subject to, a voting or other agreement or trust that effects a change in the control of Seller.

**21. RELATIONSHIP OF PARTIES** Seller and Buyer are independent contracting parties. Nothing in this Contract makes either party the agent or legal representative of the other for any purpose whatsoever, nor grants either party authority to assume or create any obligation on behalf of or in the name of the other party.

**22. GOVERNING LAW AND JURISDICTION** if either (i) this Contract is issued by Seller from a location within the United States of America or its territories (as shown by the issuing address of the Seller), (ii) this Contract is issued, in whole or part, for goods to be shipped to a Buyer within the United States of America or its territories (as shown by the ship to or receiving address of Buyer) or (iii) Seller's applicable shipping location is within the United States of America or its territories (as shown by the shipping address of Seller), then: (a) this Contract is to be construed according to the laws of the United States of America and the state of Illinois, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any choice of law provisions that require application of any other law, and (b) each party hereby agrees that the forum and venue for any legal or equitable action or proceeding arising out of, or in connection with this Contract will lie in the appropriate federal or state courts in the State of Illinois and specifically waives any and all objections to such jurisdiction and venue.

**23. SEVERABILITY** If any provision of this Contract is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such provision will be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this Contract will remain in full force and effect.

**24. ENTIRE AGREEMENT** The Contract, together with the attachments, exhibits, supplements or other terms of Buyer specifically referenced in this Contract, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this Contract and supersedes all prior oral or written representations and agreements. This Contract may only be modified by a written contract amendment issued by Buyer or Seller. Notwithstanding anything contrary contained herein, Buyer explicitly reserves the right, and this Contract will not constitute a waiver or release of, any rights and claims against Seller arising out of, or relating to any fraud or duress in connection with the formation of this Contract or any breach or anticipatory breach of any previously existing contract between Buyer and Seller (whether or not such previously existing contract related to the same or similar goods or subject matter as this Contract). All payments by Buyer to Seller under this Contract are without prejudice to Buyer's claims, rights or remedies.

**25. TRANSLATIONS** Buyer may provide various translated versions of these General Terms and Conditions for informational purposes only. However, the original English language version of these General Terms and Conditions will apply in the event of any disagreement over the meaning or construction of any provisions of these General Terms and Conditions.