

## PURCHASING TERMS AND CONDITIONS

THESE TERMS AND CONDITIONS (the "Terms and Conditions") are effective and entered into by and between Rockford Linear Motion, an Illinois corporation, in its own name and in the name and on behalf of its subsidiaries and affiliates (hereinafter "Buyer") and the supplier of Goods and Services under this contract and acting for the purpose of these Terms and Conditions in its own name and in the name and on behalf of its subsidiaries and affiliates (hereafter "Seller")

ALL TRANSACTIONS ARE GOVERNED BY THESE TERMS AND CONDITIONS, AND ANY APPLICABLE PURCHASE ORDERS, TOGETHER WITH ANY SCHEDULE, EXHIBIT OR ATTACHMENT REFERENCED THEREIN OR HEREIN (COLLECTIVELY THE "AGREEMENT"). ANY PROPOSAL OR DOCUMENT FROM SELLER THAT INCLUDES DIFFERENT OR ADDITIONAL TERMS THAT VARY FROM THE AGREEMENT OR THE APPLICABLE PURCHASE ORDERS ARE OBJECTED TO AND DISALLOWED, UNLESS THE TERMS ARE EXPRESSLY AGREED TO IN A SEPARATE WRITING SIGNED BY BUYER. NOTWITHSTANDING THE FOREGOING, ANY SUCH COUNTERPROPOSALS BY SELLER SHALL NOT OPERATE AS A REJECTION OF THE AGREEMENT, BUT AS A REJECTION OF THE ADDITIONAL OR DIFFERENT TERM(S).

**1. Acceptance.** Acceptance of the Agreement by acknowledgement, shipment of all or a portion of the Goods or other performance by Seller shall be unqualified, unconditional and subject to and expressly limited to the terms and conditions of the Agreement. Any acceptance of any portion of the Agreement shall be deemed an acceptance by Seller of all of these terms as written, without alteration. "Goods" shall mean all raw materials, finished goods, equipment, parts, components, articles, products, and items (including specially manufactured goods) which are designated in the Agreement for purchase by Buyer and for sale by Seller. "Services" shall mean the services, work or other performance obligations covered by the Purchase Order.

**2. Supplementary Information.** Any specifications, drawings, notes, instructions, engineering notices, technical data, or terms and conditions of Buyer's customer referred to in the Agreement shall be deemed to be incorporated herein by reference as if fully set forth herein.

**3. Prices; Payment Terms.**

- a. Seller represents that the price charged to Buyer for Goods is at least as low as the price charged by Seller to other buyers of a class similar to Buyer under conditions similar to those specified in Purchase Order and that such prices comply with applicable government law and regulations in effect at the time of quotation, sale or delivery. Orders shall not be filled at prices higher than those quoted or charged to Buyer or specified herein. Seller agrees that any price reduction regarding any Goods that is implemented prior to shipment or rendering of such Goods, will be applied to all Purchase Orders for shipments of Goods following such price reduction. Unless otherwise specified thereon, prices quoted on any Purchase Order or Purchase Order Revision include any and all changes for the Goods ordered (including, but not limited to, any charges for boxing, packing, labeling crating, cartage, taxes, duties, or other added charges). Invoices shall be paid in accordance with the terms stated in the Purchase Order and due dates for payment of invoices shall be computed from the date of receipt of both the Goods and Invoices by Buyer. No additional charges will be added to the Price, nor will any increase in the price last quoted or charged to Buyer be effective, whether due to increased materials, labor, or transportation costs or otherwise, without the prior written consent of Buyer.
- b. Seller will not issue an invoice to Buyer prior to delivery of the Goods and/or completion of the Services (as applicable) and then only in accordance with these Terms and Conditions. All invoices and payments hereunder will be denominated in US dollars, unless otherwise required by law or agreed to by the parties. Buyer will pay all properly invoiced amounts due to Seller in accordance with the payment terms specified in the Purchase Order. If no payment terms are specified, Buyer will pay all properly invoiced amounts due to Seller within ninety (90) days after Buyer's receipt of such invoice (or within such shorter period of time as required by law). Notwithstanding anything to the contrary contained in this Section, Buyer may withhold from payment any amounts disputed by Buyer in good faith. In the event of a payment dispute, Buyer will deliver a written statement to Seller listing all disputed items and providing a reasonably detailed description of each disputed item. The parties will seek to resolve all such disputes expeditiously and in good faith. Seller will continue performing its obligations under the Purchase Order notwithstanding any such dispute. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off or recoup, at any time, any amount owing to it by Seller against any amount payable by Buyer to Seller.

**4. Delivery.** Seller shall deliver Goods which are in accordance with the specifications provided by Buyer and Seller is not authorized to unilaterally deviate from Buyer's specifications without written approval from Buyer. Time is of the essence for each Purchase Order and deliveries shall be made both in quantities and at times specified by Buyer; failure to do so shall constitute a breach of the Agreement. Seller shall deliver all Goods free and clear of all liens and encumbrances. If requested by Buyer, Seller agrees to furnish to Buyer, as a condition precedent to final payment, a complete release of all liens, together with a certificate by Seller that the release contains the signatures of all those who performed Services or furnished materials under the Agreement. With each delivery Seller shall submit a packing list in duplicate. All Goods will be delivered to, and all Services will be performed at, the address specified in the Purchase Order (the "Delivery Location") during Buyer's normal business hours or as otherwise instructed by Buyer. When Goods are delivered to a carrier for transportation, Seller will give prompt written notice to Buyer and provide Buyer all documents necessary to release the Goods to Buyer.

**5. Title; Risk of Loss.** Title and Risk of Loss and damage to material purchased by Buyer under the Agreement shall vest in Buyer when the material has been delivered at the Delivery Location specified in Buyer's Purchase Order, unless Buyer and Seller execute a consignment agreement pursuant to which Seller shall maintain title to the Goods following delivery to Buyer's facility until removed from consignment by Buyer, at which

time, Buyer shall assume title and risk of loss. Further, title to Goods purchased by Buyer under the Agreement may immediately vest in Buyer at any point where Buyer tenders to Seller both payment for the Goods, and written notice of Buyer's desire to take title to the Goods. If the Agreement or a Purchase Order issued pursuant to the Agreement calls for additional Services including, but not limited to, unloading, installation, or testing, to be performed after delivery, Seller shall retain title (unless Buyer has paid the invoice) and risk of loss and damage to the material until the additional Services have been performed. Notwithstanding the foregoing sentence, if Seller is expressly authorized in writing to invoice Buyer for material upon shipment or prior to the performance of additional Services, title to such material shall vest in Buyer upon payment of the invoice, but risk of loss and damage shall not pass to Buyer until completion of the additional Services by Seller.

**6. Packaging, Traceability.** All correspondence must include the Purchase Order number, Release/Line number and Vendor Identification number. All shipments must include packing slips indicating contents, part number, or description, Purchase Order number, Release/Line number and Vendor Identification number. When multiple packages comprise a single shipment, the package containing the packing slip must be marked, "Packing Slip Inside". Any transportation charges paid by Seller, to which Seller is entitled to reimbursement, shall be added to Seller's invoice as a separate line item and the receipted freight bill shall be attached thereto. Seller warrants that Seller's system of production and packaging shall be such as will permit traceability of each lot of Goods, and shall include bar coding if so requested by Buyer. Seller warrants that the packaging of the Goods ordered herein shall be in compliance with all laws relating to packaging of such Goods and shall be adequate for the transit of the Goods undamaged.

**7. Premium Shipments.** If, for any reason, Seller is unable to meet Buyer's delivery requirements, Seller shall immediately notify Buyer of its expected duration of the delay and the reasons for such delay. Neither such notification nor an acknowledgement by Buyer shall constitute a waiver of the applicable delivery schedule or any of Buyer's rights under the Agreement. If Buyer requires more expeditious method of transportation for the Goods other than the transportation method originally specified by Buyer because of Seller's failure or inability to meet the specified delivery schedule, Seller shall, at Buyer's option, (a) promptly reimburse Buyer the difference in cost which may be incurred by Buyer between the more expeditious method and the original method, (b) allow Buyer to reduce its payment of Seller's invoices by such difference, (c) ship the goods as expeditiously as possible at Seller's expense and invoice Buyer for the amount which Buyer would have paid for normal shipment. Seller shall also be liable for any direct and/or consequential damages incurred by Buyer resulting from any delay caused by Seller. Premium freight must be so noted on shipping documents.

**8. Default; Cancellation.** Buyer may, in Buyer's sole discretion, elect to cancel the Agreement or any part thereof at no cost to Buyer in the event of Seller's Default as herein after described. Seller's Default shall include, without limitation: (a) Seller's failure to comply with the specifications, delivery requirements or terms and conditions of the Agreement; (b) Seller's failure to deliver Goods ordered herein accordance with the delivery and timing requirement or in accordance with Buyer's specifications; or (c) Seller's threatened or actual refusal to deliver Goods for any reason (Seller's Default). In the event of Seller's Default under (b) above, the parties acknowledge and agree that such default by Seller will cause Buyer irreparable harm and Buyer shall be entitled to any and all legal and equitable rights and remedies available to it against Seller to remedy such default, including without limitation, injunctive relief prohibiting Seller from refusing to deliver the Goods. If Seller has actually refused to deliver Goods as set forth in (b) above, the parties stipulate that it will be difficult to ascertain the amount of damages resulting from such default and that Seller will pay to Buyer \$50,000.00 USD per day as liquidated damages for each day that Seller refuses to deliver the Goods. The parties agree that this sum represents a reasonable estimate of damages and does not constitute a penalty. In case of ambiguity in the specifications, drawings, or other requirements of the Agreement, before proceeding, it is Seller's obligation to seek clarification from Buyer, whose written interpretation shall be final. Buyer's right to cancel hereunder shall be in addition to all rights and remedies available to Buyer under the Agreement or otherwise and Buyer shall have no obligation for payment to Seller for work in progress or otherwise incomplete Goods.

**9. Termination for Convenience.** Buyer, in addition to all other rights and remedies it may have under the Agreement or otherwise, shall have the right to terminate the Agreement or any Purchase Order, in whole or in part, without cause, upon notice in writing to Seller. Seller shall thereupon, as directed, cease work and deliver to Buyer all completed, and partially completed Goods or material and work in process, and Buyer shall pay Seller the following, which in no event shall exceed the total provided for herein; (a) the applicable price provided in the Purchase Order for all Goods which have been completed prior to termination and which are accepted by Buyer, or (b) to the extent commercially reasonable, the actual expenditures on the uncompleted portion of the Purchase Order, including cancellation charges paid by the Seller on account of commercially reasonable commitments made under the terminated Purchase Order. Seller warrants that it will take all steps reasonably calculated to mitigate and minimize the cost to Buyer of such termination.

**10. Proprietary Rights, Infringement.** All specifications, blueprints, technical documents, instructions, molds, casts, formulas, sketches, drawings, manufacturing processes, know-how, software and software protocols, electronic commerce system information, inventory management system information, and other business information supplied to Seller under the Agreement or prepared for Buyer under the Agreement shall be proprietary to Buyer ("Buyer's Proprietary Property") and shall remain the sole property of Buyer, except that exclusive designs developed by Seller prior to the placement of a Purchase Order shall remain the property of Seller, its agents, representatives or employees for any purpose except in connection with the work to be done by Seller for Buyer under the Agreement, and shall not be used, disclosed or made available to any other third party by Seller for its agents, representatives, or employees. By its acceptance of the Agreement, Seller agrees to take all necessary precautions against theft, destruction, damage, loss, unauthorized duplication or wrongful distribution, or unauthorized use of Buyer's Proprietary Property. Unless otherwise agreed to by Buyer in writing, Buyer's Proprietary Property shall be returned to Buyer upon completion of production or processing or earlier, upon Buyer's demand.

**11. Property Furnished by Buyer.** Except as specified, all dies, molds, tools, models, jigs, samples, materials, drawings, specifications, test reports, technical material, advertising material, and any other property furnished to Seller by Buyer for use in performance of a Purchase Order, shall be and remain the property of Buyer, shall be subject to disposition according to Buyer's instruction and shall be used only in filling orders from

Buyer. Any such property furnished by Buyer to Seller shall be appropriately maintained by Seller in order to preserve the condition of such property to the greatest extent possible, reasonable wear and tear excepted.

**12. Warranty.** Seller warrants to Buyer and Buyer's customers that Goods furnished pursuant to the Agreement will be new, merchantable, free from defects in design, material, warning requirements and workmanship and will conform to and perform in accordance with Buyer's specifications for such Goods and all other agreed upon specifications, drawings, and samples. Seller further agrees that it shall be solely liable for all claims of a defect (or alleged defect) in material, merchantability, workmanship, warning requirements and design (unless manufactured to a design furnished by Buyer) of the Goods, and from failure to meet any such specifications. These warranties extend to the future performance of the Goods. Seller also warrants to Buyer and its customers that Services will be performed in a first class, workmanlike manner. In addition, if Goods furnished contain one or more Seller's warranties, Seller hereby assigns such warranties to Buyer and its customers. All warranties shall survive inspection, acceptance and payment and shall continue, at a minimum, for the longer of thirty six (36) months or such period as Buyer has warranted such Goods, or other items of which the Goods are a component, to its customers. Goods or Services not meeting the warranties will be, at Buyer's option and without limitation of Buyer's other rights and remedies under the Agreement or otherwise, returned for or subject to refund, repaired, replaced or reperfomed by Seller at no cost to Buyer or its customers and with transportation costs and risk of loss and damage in transit borne by Seller. In addition to all other remedies available to Buyer, Seller shall be liable to Buyer for consequential damages that arise out of a breach of this Agreement. Repaired and replacement Goods shall be warranted as set forth above in this clause. With respect to all Services (if any) to be performed under the Purchase Order, Seller warrants to Buyer that (i) Seller will perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and in accordance with any and all specifications provided by Buyer, (ii) Seller will devote adequate resources to meet its obligations under the Purchase Order, and (iii) Seller's performance of the Services will not infringe or misappropriate any letters patent, trademark or copyright issued or granted by the United States or Canada or any other intellectual property rights of any third party. All Warranties will run to Buyer, its customers and subsequent owners of the Goods and/or Services (as applicable) to which they relate. There are no exclusions, limitations, or disclaimers of warranty other than those that may be expressly recited in these Terms. All Warranties will be construed liberally in favor of Buyer. Notice of breach of warranty may be given orally or in writing; said notice need not include a clear statement of all objections that will be relied upon by Buyer as the basis for breach. All Warranties will be construed as conditions as well as promises. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods and/or Services (as applicable) with the foregoing warranties

**13. Quantity.** The specific quantity of Goods ordered (if any) must be delivered in full and not be changed without Buyer's written consent. If Seller delivers more or less than the quantity of Goods ordered, Buyer may reject all or any of the Goods. Any such rejected Goods will be returned to Seller at Seller's risk and expense. If Buyer does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for the Goods will be adjusted on a pro-rata basis.

**14. No Exclusivity or Minimums.** The Purchase Order is a non-exclusive agreement. Buyer is free to engage others to provide goods or services the same as or similar to the Goods and/or Services (if any) to be provided under the Purchase Order. Buyer is not obligated to any minimum purchase or future purchase obligations under the Purchase Order.

**15. Quality Assurance.** If Seller supplies Goods for use in production or any other quality assurance system specified by Buyer or its customers, Seller shall comply with such quality system standard for such Goods covered by any Purchase Order. Seller agrees to permit Buyer or its customers to review Seller's procedures, practices, processes and related documents to determine such acceptability. This requirement is in addition to any special quality assurance provisions which may be incorporated elsewhere in the Agreement. All of Seller's quality related books and records shall be kept complete and available to Buyer or its customers during the term of the Agreement and for such longer period and such manner as may be specified by Buyer or required by law. In addition:

- a. Seller agrees to comply with of the requirements as set forth in the latest revision of the Buyer Quality Manual.
- b. When applicable, Buyer shall provide to Seller requirements for testing, examination, inspection, and/or related instructions with respect to the Goods.
- c. Seller agrees to notify Buyer in writing of suspect or non-conforming Goods within 24 hours of discovery. Approval and acceptance of Seller's suspect or non-conforming Goods requires notification to Buyer's customer(s) of the issue, and approval of the deviation by said customer(s).
- d. Seller agrees that any change in specifications, process, methods, inspection criteria, lubricants, perishable tooling, cutting fluids, etc. are prohibited without the prior written approval of Buyer's Quality Management Officer. Seller further agrees that out-sourcing of Goods intended for sale to Buyer is prohibited without prior written approval from Buyer's Quality Management Officer. If Buyer's Quality Management Officer agrees to the out-sourcing of the Goods or process from Seller to a sub-tier supplier, all requirements and obligations set forth in the Purchase Order, specifications, key characteristics, sampling plan, blueprints, gages, etc. must be adhered to and satisfied by the sub-tier supplier.

**16. Inspection, Rejection of Goods.** All Goods furnished hereunder and all records to be furnished therewith shall be subject to inspection at destination, notwithstanding any previous inspection, and Seller shall be given notice of any defects other than the latent defects within a reasonable time after inspection of the Goods. Buyer may reject or require the prompt correction, in place or otherwise, of any Goods which are defective in material, workmanship, design (unless manufactured to a design furnished by the Buyer) or which otherwise fail to meet the requirements of the applicable Purchase Order. Buyer may, in addition to any rights it may have by law, prepare for return shipment and return the Goods to Seller or require Seller to move them, and the expense of any such action, including, transportation both ways, if any, shall be borne by Seller. If Seller fails promptly to remove such Goods or to proceed promptly to replace or correct them, Buyer may replace or correct such Goods at the expense of Seller,

including any excess cost. Payment for any or all of the Goods or Services supplied hereunder shall not constitute acceptance by Buyer. Notwithstanding any other rights Buyer has under these Terms and Conditions, in the event Buyer returns raw materials that fail to meet the requirements of the Purchase Order or are found defective, Seller shall reimburse Buyer for the labor and material costs incurred to inspect the defective raw material. Nothing in this paragraph shall in any way limit Buyer's rights under the paragraphs hereof titled "Warranty" or Indemnification".

**17. Right of Inspection of Seller's Premises.** Buyer and its personnel and customers, shall have the right from time to time to send to Seller's manufacturing facilities its personnel for performing tests upon the materials or Goods covered by the Purchase Order to ascertain that specified quality standards are being maintained. Buyer's personnel shall have the privilege of visiting all places within the various facilities where raw materials, components or equipment are stored or where manufacturing is being accomplished incident to fulfilling any Purchase Order. Buyer's personnel shall also have the privilege of using Seller's test equipment for the purpose of performing necessary tests.

**18. Indemnification.** Seller undertakes and agrees to indemnify, hold harmless and, if requested by Buyer, defend, at Seller's own expense all suits, actions or proceedings brought against Buyer, its affiliates and subsidiaries, or any of Buyer's directors, officers, employees, agents, dealers, customers, or the users of any of the Goods purchased under the Agreement for: (i) any breach by Seller of this Agreement, (ii) any recall of Products, whether made voluntarily by Seller or required by any governmental agency, or any recall of Buyer's products utilizing the Products to the extent the recall is caused by a defect or failure of the Products, (iii) any alleged defect or non-conformity in the Products, or (iv) any claim of a third party alleging property damage or personal injury arising from the use of the Products actual or alleged infringement of any intellectual property right including, but not limited to, copyright, trademark, or trade secret, United States or foreign letters patent or other proprietary rights of any third party on account of the use or sale of any such Good alone or in combination with other Goods or materials and Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's or its customers' specifications and Seller further agrees to pay and discharge any and all judgments or decrees which may be rendered in any such suit, action, or proceeding against any indemnified party, whether such liability arises as a matter of contract (ex. warranty, repair, replacement, downtime, of a customer assembly line, recall, etc.) or tort (injury to property or person), including without limitation, all liability for incidental, consequential, or special damages. Buyer may, at its option, tender the defense of any claim of liability against Buyer to Seller, in which case Seller shall have the right to settle any such claim provided such settlement is at Seller's expense and involves no action or forbearance by Buyer. Buyer retains the right to defend such claim itself, but subject to indemnification by Seller. Buyer and Seller agree to cooperate reasonably in any such defense.

**19. Confidentiality.** Seller agrees to keep all Confidential Information (as defined below) in confidence during and following termination or expiration of the Purchase Order. Confidential Information includes but is not limited to any and all information or material that is proprietary or commercially valuable to Buyer, including, without limitation, know-how, technical information, data, trade secrets, inventions (whether patented or unpatented), technologies, samples and materials, research or business plans, products, services, customer and supplier lists, operations, manufacturing processes, software, hardware, equipment, databases, discoveries, formulas, diagrams, drawings, graphs, blueprints, specifications, laboratory books, records, designs, analyses, test materials, compounds, computer programs in human or machine-readable code (including notes, spread-sheets and flow-charts), marketing, financial, manufacturing and other business data and projections (including, without limitation, operation costs, profit margins, raw materials, sales information, production and technology costs), unpublished documents, and the contents and existence of the Purchase Order. Confidential Information will include the confidential information of any third party who has given Buyer the right to use such confidential information subject to a non-disclosure agreement between Buyer and such third party. Confidential Information need not be labeled as such to enjoy the protections afforded the same but need only be of the kind generally understood to be confidential, proprietary or commercially valuable. Confidential Information does not include any information that (i) Seller lawfully knew without restriction on disclosure before Buyer disclosed it to Seller, (ii) is now or becomes publicly known through no wrongful act or failure to act of Seller, (iii) Seller developed independently without use of Confidential Information, as evidenced by appropriate documentation, or (iv) is hereafter lawfully furnished to Seller by a third party as a matter of right and without restriction on disclosure. In addition, Seller may disclose Confidential Information which is required to be disclosed pursuant to a requirement of a government agency or law so long as Seller provides prompt notice to Buyer of such requirement prior to disclosure. Seller agrees not to copy, alter or directly or indirectly disclose any Confidential Information. Additionally, Seller agrees to limit its intentional distribution of Confidential Information to those who have a need to know, and to take steps to ensure that the dissemination is so limited, including the execution by Seller of nondisclosure agreements with provisions substantially similar to those set forth herein. In no event will Seller use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care to prevent the unauthorized use of Confidential Information. Seller further agrees not to use Confidential Information except in the course of performing hereunder and will not use Confidential Information for its own benefit or for the benefit of any third party. The mingling of Confidential Information with information of Seller will not affect the confidential nature or ownership of the same as stated hereunder. Seller agrees not to design or manufacture any products which incorporate Confidential Information. The terms of this Section are in addition to, and will complement and supplement any other agreement between the parties regarding confidentiality or security of information, including, without limitation, any applicable Confidentiality and Non-Disclosure Agreement.

**20. Waiver.** The failure of either party at any time to enforce any right or remedy available to it under the Agreement or otherwise with respect to any breach or failure by the other party shall not be construed to be a waiver of such right or remedy with respect to any other breach or failure by the other party.

**21. Work on Buyer's Premises.** In addition to other terms contained herein, if the Purchase Order requires Seller to perform any Services on property (real or personal) owned or controlled by Buyer, the following shall apply:

a. Seller agrees to furnish to Buyer, as a condition precedent to final payment, a complete release of all liens, together with a certificate by Seller that the release contains the signatures of all those who performed Services or provided materials under this Purchase Order.

b. Seller agrees to indemnify, defend and hold harmless Buyer, and its directors, officers, employees, and agents, from and against any and all claims and demands (including costs, litigation expenses, and counsel fees incurred in connection therewith) arising out of injury to, or death of, any person whatsoever or injury or damage to property of any kind by whomsoever owned, or the environment, arising out of the performance of Seller, Seller's subcontractor or Seller's agents of any work which is the subject of the Purchase Order.

**22. Compliance with Laws.** Seller represents that the Goods covered by the Agreement, together with their containers and other packaging, have been manufactured in accordance with the requirements of all applicable federal, state, local, and foreign laws, ordinances, regulations and codes ("laws and regulations") and safety constraints on restricted, toxic and hazardous materials, as well as environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale. To the extent applicable to the Agreement, Seller will comply with all requirements of the International Traffic in Arms Regulations in the performance of the Agreement. Seller further agrees to furnish Buyer, upon request, a certificate attesting to such compliance in such form as Buyer may require. Seller and all persons furnished by Seller shall comply at their own expense with all such applicable laws and regulations from which liability may accrue to Buyer for any violation thereof by Seller, and including the identification and procurement of required permits, certificates, licenses, insurance, approvals and inspections in performance under the Agreement. Seller agrees to indemnify, defend (at Buyer's request) and save harmless Buyer, its affiliates, its and their customers and each of their officers, directors, and employees from and against losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorney's fees) that arise out of or result from any failure to do so.

**23. Environmental and Safety Compliance.** Any Goods supplied under the Purchase Order (if any), and the manufacture of such Goods, will comply in all respects with the applicable Laws related to the pollution or protection of the environment or human health and safety, including without limitation, the U.S. Toxic Substances Control Act of 1976, as amended (15 USC § 2601, et seq.), if applicable, or such comparable foreign Law. Seller warrants it will notify Buyer in advance of any proposed change in the Goods supplied under the Purchase Order which may alter or add to any of the Chemical Abstract Service (CAS) number(s) for raw materials listed in the Specifications. Any such changes must be mutually agreed upon by Buyer and Seller prior to shipment to Buyer. Any Goods supplied under the Purchase Order, and the manufacture of such Goods, will comply in all respects with the Occupational Safety and Health Act of 1970, as amended (29 USC § 651, et seq.) and the applicable requirements of the Occupational Safety and Health Administration, if applicable, or such comparable foreign Law.

**24. NAFTA; Certification of Origin; Duty Drawback.** With respect to all Goods delivered from any point within the NAFTA territory (Canada, Mexico, United States of America) Seller shall provide, with its invoice, a North American Free Trade Agreement Certificate of Origin on U.S. Customs form 434 or the corresponding Canadian or Mexican form. Seller agrees to transfer to Buyer all customs duty and import drawback rights, if any (including rights developed by substitution and rights which may be acquired from Seller's suppliers), related to the Goods and which Seller can transfer to Buyer. Seller agrees to inform Buyer promptly of any such rights and to supply all documents which Buyer may request or which may be required to enable Buyer to obtain such customs duty and import drawback rights. Seller shall indemnify and hold harmless Buyer, its subsidiaries and affiliates, its and their customers and each of their officers, directors, and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties, and expenses (including reasonable attorney's fees) that arise out of Seller's non-compliance with U.S. or foreign customs laws and regulations.

**25. Equal Opportunity.** The Agreement shall be deemed to include, to the extent applicable hereto: (a) the Equal Opportunity Clause referred to in Executive Order 11246, as amended, (b) all provisions of 41 CFR 60-250, as amended, pertaining to Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era where the value of Goods or Services furnished hereunder exceeds \$10,000, (c) all provisions of 41 CFR 60-741, as amended, pertaining to Affirmative Action for Handicapped Workers where the value of the Goods and Services furnished hereunder exceeds \$2,500 and (d) similar applicable requirements of any state or local law.

**26. Anti-Bribery Compliance.** Seller acknowledges that Buyer is subject to the U.S. Foreign Corrupt Practices Act and anti-bribery and anti-corruption laws in various other jurisdictions. Seller will (a) comply in all respects with such laws, including the comparable laws of all jurisdictions where it or its agents are conducting business, (b) provide written certification of its compliance with the foregoing when asked by Buyer, and (c) cooperate with Buyer and its designees at Seller's expense in any inquiry or investigation of Seller or its agents regarding their conduct or alleged conduct relating to compliance or failure to comply with any of the foregoing.

**27. Changes.** Buyer may at any time, by written order, make changes or additions within the general scope of the Agreement. If any such change causes an increase or decrease in the cost of, or the time required for, performance of the Agreement, Seller shall notify Buyer in writing, and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of the Agreement. Any claims by Seller for upward adjustment in price or time requirements must be asserted within thirty (30) days after Seller's receipt of notice of the change from Buyer. Nothing herein shall excuse Seller from proceeding with the Agreement as changed.

**28. Publicity, Promotion, or Advertising.** Seller shall not, without Buyer's prior written consent, issue any news release, advertisement, publicity or promotional material regarding the Agreement, including denial or confirmation thereof.

**29. Insolvency.** If Seller ceases to conduct its operations in the normal course of business, including liability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought against Seller or commenced by Seller on its own behalf, or if a receiver for Seller, Buyer may terminate the Agreement then completed and subsequently delivered in accordance with the terms of the Agreement.

**30. Cumulative Remedies.** Every right and remedy reserved by Buyer will be cumulative and additional to any other or further remedies provided in Law or equity or in these Terms.

**31. Assignment.** Seller may not assign the Agreement or any of Seller's obligations hereunder without Buyer's prior written consent.

**32. Insurance.** Seller shall maintain at its own expense at all times while performing hereunder occurrence-based liability insurance and product-liability insurance with a reputable and financially responsible carrier(s) satisfactory to Buyer for coverage in amounts not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) in aggregate, and all other insurance required by applicable law. Seller shall furnish insurance certificates as directed by Buyer, satisfactory in form and substance to Buyer, showing the above coverages, and providing for at least 10 days prior written notice to Buyer by the insurance company of cancellation or material modification.

**33. Force Majeure.** If the manufacture, transfer or receipt or use by either party of any materials covered hereby is prevented, restricted or interfered with by reason of any event beyond the reasonable control of the party so affected, such party, upon prompt notice to the other party (and in the case of Buyer, prior to actual shipment) shall be excused from making or taking deliveries hereunder to the extent of such prevention, restriction or interference but, at Buyer's option, deliveries so omitted shall be made upon notice thereof to Seller, upon cessation of such contingency.

**34. Governing Law.** The contract resulting from the Agreement is to be construed according to the laws of the state of Illinois. The parties agree that any controversy arising under the Agreement shall be determined by the courts located in Winnebago County, State of Illinois, and Seller hereby submits and consents to the jurisdiction of said courts.

**35. Relationship of Parties.** Seller is an independent contractor for all purposes, without express or implied authority to bind Buyer by contract or otherwise. Neither Seller nor its employees, agents or subcontractors are agents or employees of Buyer, and are therefore are not entitled to any employee benefits of Buyer, including but not limited to, any type of insurance. Seller will be responsible for all costs and expenses incident to performing its obligations under the Purchase Order and will provide Seller's own supplies and equipment. Except as otherwise set forth in these Terms, the manner and means of providing the Goods and/or Services (as applicable) to Buyer are subject to Seller's sole control.

**36. Notices.** All notices, requests, demands and other communications that are required or may be given pursuant to the Purchase Order will be in writing and sent by mail, overnight courier or facsimile, to (a) Seller at the address indicated in the Purchase Order, or (b) Buyer, at the address indicated in the Purchase Order or to such other address as one party may later specified to the other party in writing. Delivery of any such notices will be deemed sufficient in all respects and to have been duly given as follows: (a) on the actual date of service if delivered personally; (b) at the time of receipt of confirmation by the transmitting party if by facsimile transmission; (c) at the time of receipt if given by electronic mail to the e-mail addresses set forth in the Purchase Order or otherwise communicated to the other party; provided, however, that a party sending notice by electronic delivery will bear the burden of authentication and of proving transmittal, receipt and time of receipt; (d) on the third day after mailing if mailed by first class mail return receipt requested, postage prepaid and properly addressed as set forth in this Section; or (e) on the day after delivery to a nationally recognized overnight courier service during its business hours or the Express Mail service maintained by the United States Postal Service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Section.

**37. Amendment and Modification.** No change to these Terms is binding upon Buyer unless it is in writing, specifically states that it amends these Terms and is signed by an authorized representative of Rockford Linear Motion.