

General Terms and Conditions of Purchase

1. Acceptance – Order of Precedence - Modification

This Purchase Order is for the purchase of goods, services, or goods and services described on the face of this document (collectively, "Goods") and is issued by the purchasing entity identified on the face of this document ("Purchaser") to the entity providing the Goods identified on the face of this document ("Supplier"). This Purchase Order is deemed accepted upon the earlier of the return of the acknowledgment copy of this Purchase Order or the commencement of performance by Supplier. Purchaser rejects any additional or inconsistent terms or conditions offered by Supplier at any time, whether or not such terms or conditions materially alter this Purchase Order and irrespective of Purchaser's acceptance or payment for Supplier's Goods. Any reference to Supplier's quotation, bid or proposal will not be deemed acceptance of any term, condition, or instruction contained in that document. No course of prior dealing or usage of the trade will be used to modify, supplement or explain any term herein. These terms and conditions together with the specifications, drawings, or other documents referred to on the face of this Purchase Order, or attached, or any documents incorporated by reference, supersede any prior or contemporaneous communications, representations, promises, or negotiations, whether oral or written, with respect to the subject matter of this Purchase Order. All contract documents related to this Purchase Order are to be interpreted together as one agreement. However, if there is an irreconcilable conflict among the provisions of those contract documents, the following order of precedence applies: (a) any consignment agreement; then (b) any master purchase agreement between the parties; then (c) any contract for labor services; then (d) the face of this Purchase Order and any supplemental terms included or incorporated by reference; then (e) these general Purchase Order provisions; and finally (f) other contract documents agreed to in writing by the parties. No change to or modification of this Purchase Order will be binding upon Purchaser unless in writing, specifically identifying that it is amending this Purchase Order, and signed, or approved electronically, by an authorized representative of Purchaser. If Supplier becomes aware of any ambiguities, issues or discrepancies between this Purchase Order and any specification, design or other technical requirement applicable to this Purchase Order, Supplier will immediately submit the matter to Purchaser for resolution.

2. Delivery, Shipment and Packaging

2.1. Supplier will deliver Goods in accordance with the quantities and date(s) specified on this Purchase Order or the Purchase Order schedule releases. If delivery dates are not stated, Supplier will offer its best delivery date(s), which will be subject to acceptance by Purchaser. Unless otherwise directed, all Goods shipped in one day from and to a single location must be consolidated on one bill of lading or air waybill, as appropriate.

2.2. Supplier will, at its expense, deliver Goods by the most expeditious shipping method if the delivery schedule is endangered for any reason other than Purchaser's fault. If Goods are delinquent to Purchaser's requirements, Supplier will grant Purchaser first priority for Goods allocation and shipment. Purchaser reserves the right to reject, at no expense to Purchaser, all or any part of any delivery that varies from the quantity authorized by Purchaser for shipment. Supplier will not make any substitutions without Purchaser's prior written approval. All items will be packaged in accordance with Purchaser's instructions or, if none are specified, in accordance with good commercial practice in a manner sufficient to ensure receipt in an undamaged condition. As applicable, Supplier will ensure that all packaging conforms to the country of destination's adoption of the ISPM15 solid wood packaging requirements, whether or not expressly indicated by Purchaser, and will designate conformance on the appropriate shipping documents. (see <http://www.ISPM15.com/start.htm>) Purchaser reserves the right to charge back the Supplier for any costs or damages incurred by Purchaser as a result of Supplier's failure to comply with the applicable solid wood packaging requirements. Purchaser will not be liable for any discharge, spill or other environmental incident (including clean-up costs) involving any Goods shipped under this Purchase Order until received by Purchaser. All containers will be properly marked for identification per the instructions on this Purchase Order and contain a packing slip that details, at a minimum, the Purchase Order number(s), product part number, detailed product description, total number of boxes in shipment, quantity of product shipped, and final delivery address. Items shipped in advance of Purchaser's delivery schedule may be returned at Supplier's expense. For domestic shipments, if requested by Purchaser, and for all international shipments, Supplier will give notice of shipment to Purchaser when the Goods are delivered to a carrier for transportation. The Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading and air waybills.

2.3. All Goods, unless specifically exempted by the destination country's governing authorities, must be marked with the country of origin (manufacturer) of the Goods in a conspicuous place as legibly, indelibly, and permanently as the nature of the article or container permits.

2.4. Supplier will provide Purchaser with (a) the Harmonized Tariff Schedule number, country of origin information or certificates, manufacturer's affidavits, applicable free trade agreement ("FTA") certificates, and any other documents or information Purchaser may require to comply with international trade regulations or to lawfully minimize duties, taxes, and fees, and (b) FTA certificates for all Goods that qualify under one or more FTAs. Supplier will provide Purchaser all documents, records, and other supporting information necessary to substantiate the Goods' qualification under such FTA. Supplier will exert reasonable efforts to qualify the Goods under FTAs.

2.5. Within one business day after Supplier delivers the Goods to the carrier, Supplier will send Purchaser a complete set of shipping documents including the commercial invoice, packing list, and air waybill or three original parts of the combined through bill of lading, clean without notation, necessary to release the Goods to Purchaser's custody.

3. Notice of Delay

Whenever anything delays or threatens to delay the timely performance of this Purchase Order, Supplier must immediately give notice to Purchaser of all relevant information with respect to such delay.

4. Excusable Delay (Force Majeure)

Any delay or failure of either party to perform its obligations shall be excused if and to the extent that the party is unable to perform due to Acts of God, restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority, or acts of war. Supplier's ability to sell Goods at a more advantageous price or Supplier's economic hardship in buying materials or processing necessary for manufacture of the Goods will not constitute an excusable delay event. The party affected by an excusable delay will promptly provide notice to the other, explaining in detail the full particulars and expected duration of the excusable delay, and will use its best efforts to remedy the delay if it is capable of being remedied. If Supplier's delivery is delayed, Purchaser may, at Purchaser's sole option, cancel deliveries that had been scheduled during the excusable delay period or elect to extend the period of performance commensurate with the excusable delay period. If an excusable delay occurs that affects delivery of Goods to Purchaser, Supplier will allocate its available supply of Goods in a manner that assures Purchaser of at least the same proportion of Supplier's total output of Goods as was allocated to Purchaser prior to the excusable delay event. If delivery of any Goods is delayed for more than 30 days, Purchaser may, without liability, cancel all or any part of this Purchase Order.

5. Performance Assurance Plan

If Purchaser, in its sole discretion, determines there is a significant risk that Supplier will fail to meet its performance or delivery requirements under this Purchase Order, Purchaser may require Supplier to perform under a Performance Assurance Plan. The Performance Assurance Plan may include specific reporting and performance requirements reasonably tailored to ensure Supplier's adequate performance under identified provisions of this Purchase Order. Any failure by Supplier to satisfy the terms of the Performance Assurance Plan is a material breach of this Purchase Order.

6. Shipping Terms, Title and Risk of Loss

6.1. If the Goods will be transported from Supplier's location in the U.S. to Purchaser's location in the U.S., unless otherwise specified on the face of this Purchase Order or in a separate agreement, the F.O.B is Purchaser's location. When the F.O.B. point of delivery is Supplier's location, Supplier bears

all risk of loss or damage to the Goods and title passes to Purchaser upon delivery of the Goods to the carrier designated or approved by Purchaser; When the point of delivery, is Purchaser's location, Supplier bears all risk of loss or damage to the Goods and title passes to Purchaser upon delivery of the Goods at Purchaser's location.

6.2. In all other cases, unless otherwise specified on the face of the Purchase Order or in a separate agreement, Supplier will deliver the Goods DAP (Incoterms®2010) at Purchaser's location. Title to Goods passes to Purchaser upon receipt at Purchaser's location.

6.3. The foregoing does not relieve Supplier of any responsibility for hidden damages discovered after acceptance of the Goods. Notwithstanding 6.1 and 6.2 above, title and risk of loss to Goods subject to a consignment stock agreement pass upon release of the Goods from the consignment stock. Purchaser may direct Supplier to ship the Goods to Purchaser or to any third party designated by Purchaser.

7. Import/Customs Compliance

7.1. Supplier assumes all responsibility and liability for any shipments covered by this Purchase Order requiring any government import clearance. If government authorities declare or otherwise impose countervailing duties, antidumping duties, or retaliatory duties on the Goods imported under this Purchase Order, Purchaser reserves the right to terminate this Purchase Order in accordance with the Termination provisions of this Purchase Order. Supplier will be debited for any duties, fees, or freight incurred by Purchaser due to Supplier's failure to comply with the terms and conditions of this Purchase Order.

7.2. Supplier shall comply with the shipping requirements set forth in the FRAM Group Foreign Supplier Trade Compliance Requirements (reference: framgp.com/supplier.html). Any fines, penalties or costs resulting from Supplier's failure to comply with Purchaser's Foreign Supplier Requirements will be debited to Supplier.

8. Drawback

All drawback of duties, and rights thereto, related to duties paid by Supplier or Purchaser upon importation of the Goods or any materials or components that enter into the manufacture of the Goods will accrue to the exclusive benefit of Purchaser. Such duty drawback rights include rights developed by substitution and duty drawback rights obtained from sub-tier suppliers related to the Goods. Supplier will provide Purchaser with all documents, records, and other supporting information necessary to obtain any duty drawback, and will reasonably cooperate with Purchaser to obtain payment.

9. Offset

If Supplier is a non-U.S. entity, Supplier will assist Purchaser in obtaining credit from Supplier's government for the value of relevant Goods purchased hereunder to meet any present or future contractual offer or industrial benefit requirements imposed upon Purchaser or its subsidiaries or affiliates. Such assistance includes, but is not limited to, providing upon Purchaser's request evidence of the existence, value, content and other pertinent information relating to such purchases. Purchaser reserves the right to claim these credits for itself or third parties. If Supplier is a U.S. entity which awards any portion of the work hereunder to lower tier non-U.S. suppliers, Supplier will assign to Purchaser any credits obtained from the non-U.S. sub-tier supplier's government relating to this transaction and assist Purchaser in obtaining any such credits.

10. Purchaser-Supplied Materials, Tooling, Equipment and Technical Data

10.1. Title to any material, tooling, equipment or technical data that Purchaser pays for or provides to Supplier, including replacements thereof ("Purchaser Property"), will remain or vest with Purchaser. Supplier will conspicuously label Purchaser Property as such, maintain it in good condition, keep written records of the Purchaser Property in its possession and the location of such property, not allow any liens to be placed upon it, and not change its location without prior written approval from Purchaser. Supplier is responsible for inspecting and determining that the Purchaser Property is in useable and acceptable condition.

10.2. Supplier will use Purchaser Property exclusively for the performance of Purchaser Purchase Orders unless otherwise authorized in writing by Purchaser's authorized representative. Purchaser Property is intended for use at the Supplier's site only or as otherwise authorized in writing by Purchaser's authorized representative and, to the extent applicable, is subject to U.S. and other government export or re-export requirements. Supplier is responsible for any loss, damage or destruction of Purchaser Property and any loss, damage or destruction of any third party property resulting from Supplier's negligent use of Purchaser Property. Supplier will not include the cost of any insurance for Purchaser Property in the prices charged under this Purchase Order. Supplier will return Purchaser Property or dispose of it at Purchaser's sole option in accordance with Purchaser's written directions. Purchaser makes no representations and disclaims all warranties (express or implied) with respect to Purchaser Property.

11. Price

Supplier will furnish the Goods at the prices stated on the face of this Purchase Order. If prices are not stated on the face of this Purchase Order, Supplier will offer its lowest prices subject to written acceptance by Purchaser. Unless otherwise provided on the face of this Purchase Order, the prices include all packaging, applicable taxes and other government charges including, but not limited to, all sales, use or excise taxes, and all customs duties, fees or charges. To the extent that value added tax (or any equivalent tax) is properly chargeable on the supply to Purchaser of any Goods, Purchaser shall pay such tax as an addition to payments otherwise due Supplier under this Purchase Order, provided that Supplier provides to Purchaser a value added tax (or equivalent tax) invoice.

12. Price: Most Favored Customer and Meet or Release

Supplier warrants that the prices charged for the Goods delivered under this Purchase Order are the lowest prices charged by Supplier to any of its external customers for similar volumes of similar Goods. If Supplier charges any external customer a lower price for a similar volume of similar Goods, Supplier must notify Purchaser and apply that price to all Goods ordered under this Purchase Order. If at any time prior to full performance of this Purchase Order Purchaser notifies Supplier in writing that Purchaser has received a written offer from another supplier for Goods similar to those to be provided under this Purchase Order at a price lower than the price set forth in this Purchase Order, Supplier is obligated to immediately meet the lower price for any undelivered Goods. If Supplier fails to meet the lower price Purchaser, at its option, may terminate the balance of this Purchase Order without liability.

13. Spare Parts Pricing

During the term Goods are supplied hereunder and for a period of 15 years after Purchaser has completed the last purchase of Goods, Supplier will supply all of Purchaser's service and replacement parts for the Goods at the last valid price plus any actual cost differential for manufacturing and packaging, such cost differential to be negotiated but in no case to exceed 20 percent (20%) of the last production price paid by Purchaser.

14. Invoicing and Payment

After each shipment made or service provided, Supplier will submit an invoice listing a description of the Goods provided and, as applicable, part numbers, quantity, and unit of measure, hours, and the unit and total prices. Any incidental charges such as royalties, selling commissions, non-recurring engineering, or other incidental charges must be separately itemized and identified on the invoice. The invoice must also include the following information in English, or in the destination country's official language if required: (a) name and address of Supplier and the Purchaser entity purchasing the Goods; (b) name of shipper (if different from Supplier); (c) Purchaser's Purchase Order number(s); (d) country of export; (e) detailed description of the Goods; (f) Harmonized Tariff Schedule number; (g) country of origin (manufacturer) of the Goods, or if multiple countries of origin, the country of origin of each part shipped; (h) weights of the Goods shipped; (i) currency in which the sale was made; (j) payment terms; (k) shipment terms used; and (l) all rebates or discounts. The invoice will be accompanied (if applicable) by a signed bill of lading or express receipt evidencing shipment. Payment of an invoice does not constitute acceptance of the Goods

and is subject to appropriate adjustment should Supplier fail to meet the requirements of this Purchase Order. Payment terms are net 120 days from receipt of invoice and conforming Goods unless otherwise stated on the face of this Purchase Order or other written agreement executed by both parties. Payment will be scheduled for the first payment cycle following the net terms for the Purchase Order.

15. Setoff

Purchaser may deduct any amount owing from Supplier to Purchaser as a setoff against any amount due or owing to Supplier under this Purchase Order.

16. Quality Assurance

Supplier agrees to allow Purchaser, during normal business hours, to make reasonable inspections of the facilities where Supplier and its sub-tier suppliers manufacture or process the Goods.

17. Inspection

17.1. All Goods may be inspected and tested by Purchaser, its customers, higher tier contractors, and end users at all reasonable times and places. If such inspection or testing is made on Supplier's premises, Supplier will provide, without additional charge, all reasonable facilities and assistance required for such inspections and tests. In its standard inspection and testing of the Goods, Supplier will use an inspection system accepted by Purchaser in writing. All inspection records, including sub-tier supplier records relating to the Goods, will be maintained and made available to Purchaser during the performance of this Purchase Order, and for such longer periods as may be specified by Purchaser.

17.2. Notwithstanding any prior inspection at Supplier's premises, the manner and place of final inspection and acceptance by Purchaser will be as determined by Purchaser in its sole discretion. Purchaser may inspect 100% or a sample of Goods, at Purchaser's option, and may reject all or any portion of the Goods or lot of Goods if Purchaser determines them to be defective or nonconforming. If Purchaser performs any inspection (other than the standard inspection) due to discovery of defective or non-conforming Goods, any additional inspection costs will be paid by Supplier. No inspection, tests, approval, design approval or acceptance of the Goods relieves Supplier from responsibility for warranty or any latent defects, fraud or negligence. If the Goods are defective or otherwise not in conformity with the requirements of this Purchase Order, Purchaser may, by notice to Supplier: (a) rescind this Purchase Order as to such Goods; (b) accept such Goods at an equitable reduction in price; or (c) reject such Goods and require the delivery of replacements. Delivery of replacements will be accompanied by a notice specifying that such Goods are replacements. If Supplier fails to deliver required replacements promptly, Purchaser may: (x) correct any retained defective or nonconforming Goods at Supplier's expense; (y) replace them with Goods from another supplier and charge the Supplier the cost thereof, including cover and any incidental costs; or (z) terminate this Purchase Order for cause.

18. Warranty

18.1. Supplier warrants to Purchaser and its successors, assigns, customers and end users that, upon delivery, and during the entire Warranty Period specified below, all Goods furnished (including all replacement or corrected Goods or components which Supplier furnishes pursuant to this warranty) will: (a) be free from defects in material, workmanship, and design, even if the design has been approved by Purchaser; (b) conform to applicable drawings, designs, quality control plans, specifications and samples and other descriptions furnished or specified by Purchaser; (c) be merchantable; (d) be fit for the intended purposes, to the extent the Goods are not of a detailed design furnished by Purchaser, and operate as intended; (e) comply with all applicable national and local laws; (f) be free and clear of any and all liens, restrictions, reservations, security interests or encumbrances; and (g) not infringe any patent, published patent application, or other intellectual property rights of any third party existing as of the date of delivery, and not utilize misappropriated third party trade secret information. Services will be performed in accordance with the highest standards in the industry. The Warranty Period will be for a period of 36 months from the date of delivery to the end user or such longer period of time as may have been accepted by Purchaser from Purchaser's customer or the date on which any longer or broader government requirement covering the Goods ends. These warranties will survive any delivery, inspection, acceptance or payment by Purchaser for the entire Warranty Period. Claims for breach of warranty do not accrue until discovery of noncompliance, even if the Goods were previously inspected. The warranties provided are cumulative and in addition to any warranty provided by law or equity. Any applicable statute of limitations runs from the date of discovery. Goods that meet the preceding standards are collectively called "conforming Goods." If conforming Goods are not furnished within the time specified by Purchaser then Purchaser may, at its election and in addition to any other rights or remedies it may have at law or in equity, have the nonconforming Goods repaired, replaced or corrected at Supplier's expense. In addition to the costs of repairing, replacing or correcting nonconforming Goods, Supplier is responsible for all related costs, expenses and damages including, but not limited to: the costs of removal, disassembly, failure analysis, fault isolation, reinstallation, re-inspection and retrofit of the nonconforming Goods or of Purchaser's affected end-product; all freight charges; all customer charges; and all corrective action costs (i.e., costs of additional inspection or quality control systems). Unless setoff by Purchaser, Supplier will reimburse Purchaser for all such costs upon receipt of Purchaser's invoice.

18.2. Supplier accepts that breach of warranty can be calculated using statistical methods based upon representative samples as utilized by Purchaser in its reasonable discretion.

18.3. These warranties, and all other warranties, express or implied, survive delivery, inspection, acceptance and payment.

19. Recall

Supplier is liable for all costs or damages associated with any voluntary or involuntary recall of defective or potentially defective Goods or any products containing or incorporating such Goods including, but not limited to, recalls by a customer, regulatory agency or in accordance with applicable laws or regulations. Supplier will be solely responsible for administering any recall or will fully participate in the administration of any recall conducted by Purchaser or its customer in relation to Goods as Purchaser may so direct. Each party will cooperate in making available records and other information reasonably required by the other party in connection with any recall. This Section 19 will survive any termination or expiration of this Purchase Order and apply for at least the same duration as Purchaser's obligation to its customer(s).

20. Changes

Purchaser may: direct changes in the drawings, designs, specifications, method of shipment or packing, quantity, or time or place of delivery of the Goods; reschedule the services; or require additional or diminished services. Only authorized Purchaser representatives may issue changes, in writing, to the Purchase Order. If any change causes an increase or decrease in the cost of, or the time required for, performing this Purchase Order, an equitable adjustment will be made in the Purchase Order price, delivery dates or both, and this Purchase Order will be modified in writing accordingly. Any claim for adjustment under this provision may, at Purchaser's option, be deemed to be waived unless asserted in writing (including the amount of the claim) and delivered to Purchaser within 30 days from the date of the receipt by Supplier of the Purchaser-directed change to the Purchase Order. If the cost of property made obsolete or excess as a result of a change is paid by Purchaser, Purchaser may prescribe the manner of disposition of the property. Notwithstanding any disagreement between the parties regarding the impact of a change, Supplier will proceed diligently with its performance under this Purchase Order pending resolution of the disagreement.

21. Design and Process Changes

Supplier will make no changes to the design, materials, manufacturing location, sub-tier suppliers, or processes specified in this Purchase Order or documents referenced therein, or if none, those in place at time of issuance of this Purchase Order, without the advance written approval of Purchaser's authorized representative. Changes to a process include, but are not limited to, changes to the production process, changes in manufacturing equipment, or changes between a manual and automated process. This requirement applies whether or not there is a cost impact associated with the change and regardless of the type of change, including product improvements.

22. Stop Work

Purchaser may, at any time by notice and at no cost, require Supplier to stop all or any part of the work under this Purchase Order for a period of up to 120 days (Stop Work Order), and for any further period as Supplier and Purchaser may agree. Immediately upon receipt of a Stop Work Order, Supplier will comply with its terms. At any time during the stop work period, Purchaser may, in whole or in part, either cancel the Stop Work Order or terminate the work in accordance with the Termination section of this Purchase Order. To the extent the Stop Work Order is canceled or expires, Supplier must resume work.

23. Termination

23.1. The non-breaching party may terminate this Purchase Order if the other party commits a material breach of this Purchase Order and fails to remedy the breach within 30 calendar days following receipt of notice specifying the grounds for the breach. A material breach includes, but is not limited to, failure to deliver, late delivery or delivery of non conforming Goods. The solvent party may terminate this Purchase Order upon notice if the other party becomes insolvent or if any petition is filed or proceedings commenced by or against that party relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors. Termination of this Purchase Order by Purchaser under this Section 23.1 will entitle Purchaser to all damages and remedies available at law or equity. Additionally, Supplier grants to Purchaser a fully paid up, non-exclusive, irrevocable license to Supplier's Intellectual Property rights embodied or used in the Goods for Purchaser to make, have made and sell Goods using such Intellectual Property rights to fulfill Purchaser's obligations to Purchaser's customer(s).

23.2. Notwithstanding any firm time period or quantity, Purchaser may terminate this Purchase Order in whole or in part at any time with or without cause with respect to undelivered Goods or unperformed services upon 30 days' prior notice.

23.3. If Purchaser terminates this Purchase Order under either Section 23.1 or 23.2 above, Purchaser's sole liability to Supplier, and Supplier's sole and exclusive remedy, is payment for Goods received and accepted by Purchaser prior to the date of termination, payment for which can be set off against any damages to Purchaser. Upon termination, Purchaser may require Supplier to transfer title and deliver to Purchaser any completed Goods and Purchaser will pay the Purchase Order price for such Goods subject to set off against any damages to Purchaser. Purchaser may also require Supplier to transfer title and deliver to Purchaser any or all property produced or procured by Supplier for performance of this Purchase Order and Supplier will be credited with the reasonable value thereof not to exceed Supplier's actual cost or the Purchase Order value, whichever is less.

23.4. To the extent that any portion of this Purchase Order is not terminated pursuant to Section 23.1 or 23.2 above, Supplier will continue performance of that portion not terminated.

24. General Indemnification and No Exclusivity or Non-Compete Arrangement

24.1. Supplier will, at its expense, defend, indemnify and hold harmless Purchaser and its subsidiaries, affiliates and agents, and their respective officers, directors, shareholders, and employees, and Purchaser's customers (collectively "Indemnitees") from and against any and all loss, cost, expense, damage, claim, demand or liability, including reasonable attorney and professional fees and costs and the cost of settlement, compromise, judgment or verdict incurred by or demanded of an Indemnitee arising out of, resulting from or occurring in connection with Supplier's actual or alleged negligence, willful misconduct, or breach of the terms of this Purchase Order. Supplier will have the right to conduct the defense of any such claim or action and, consistent with Indemnitees' rights hereunder, all negotiations for its settlement; provided, however, in no event will Supplier enter into any settlement without Purchaser's prior written consent, which will not be unreasonably withheld. Indemnitee may participate in such defense or negotiations to protect its interests.

24.2. Supplier represents and warrants that there is nothing that will directly, indirectly, actually or potentially restrict or prevent Supplier in any way from fulfilling all its obligations, duties, and services under this Purchase Order, including without limitation any exclusivity or non-competes arrangement.

25. Intellectual Property Indemnification

With respect to the Goods provided hereunder, Supplier will, at its expense, indemnify and hold harmless Indemnitees from and against any and all loss, cost, expense, damage, claim, demand or liability, including reasonable attorney and professional fees and costs and the cost of settlement, compromise, judgment or verdict incurred by or demanded from Indemnitees arising out of, resulting from, or occurring in connection with any actual or alleged: (a) patent, copyright or trademark infringement; (b) unlawful disclosure, use or misappropriation of a trade secret; or (c) violation of any other third party intellectual property right. Supplier will have the right to conduct the defense of any such claim or action and, consistent with Indemnitees' rights hereunder, all negotiations for its settlement; provided, however, in no event will Supplier enter into any settlement without Purchaser's prior written consent, which will not be unreasonably withheld. Indemnitee may participate in such defense or negotiations to protect its interests. If any injunction or restraining order is issued, Supplier will, at its expense, obtain for Indemnitee either the right to continue to make, use, offer to sell, sell or import the Goods or replace or modify the Goods to make them noninfringing.

26. Insurance

Supplier will maintain insurance with a carrier having a minimum AM Best rating of "A", covering at least the following insurance: commercial general liability (including product liability, and for services to be performed, completed operations liability) in a sum no less than \$5 million; automobile liability in a sum no less than \$5 million; worker's compensation in an amount no less than the applicable statutory minimum requirement; and employer's liability in an amount of no less than \$1 million. Prior to the delivery of any Goods, Supplier will provide to Purchaser certificates of insurance evidencing that Supplier maintains the foregoing insurance, which will provide that such coverage will not be changed without 30 days advance written notification to Purchaser from the carrier(s). Except where prohibited by law, Supplier will require its insurers to waive all rights of recovery or subrogation against Purchaser, its subsidiaries and affiliated companies, and its and their respective officers, directors, shareholders, employees and agents. The amount of insurance carried in compliance with the above requirements is not to be construed as either a limitation on or satisfaction of the indemnification obligations in this Purchase Order.

27. Confidentiality and Intellectual Property

27.1. All information, including without limitation specifications, samples, drawings, materials, know how, designs, processes and other technical, business or financial information, that: (a) has been or will be supplied to Supplier hereunder by or on behalf of Purchaser; or (b) Supplier will design, develop or create in connection with this Purchase Order, with respect to clause (a) and (b) both as to individual items and a combination of components and whether or not completed, as well as all derivatives of items in clauses (a) and (b) that Supplier has or will design, develop or create are deemed to be "Confidential Information" of Purchaser. All Confidential Information is deemed to be work made for hire and made in the course of services rendered and all rights thereto belong exclusively to Purchaser, with Purchaser having the sole right to obtain, hold and renew, in its own name or for its own benefit, patents, copyrights, registrations or other appropriate protection. To the extent that exclusive title or ownership rights in such Confidential Information may not originally vest in Purchaser as contemplated hereunder, Supplier irrevocably assigns transfers and conveys to Purchaser all right, title and interest therein.

27.2. Purchaser's Confidential Information will remain the property of Purchaser, may not be used by Supplier for any purpose other than for performing this Purchase Order, may not be disclosed to any third party, and will be returned to Purchaser upon the earlier of Purchaser's written request or completion of this Purchase Order. If, with Purchaser's prior written approval, Supplier furnishes Confidential Information to a sub-tier supplier, Supplier will bind the sub-tier supplier to confidentiality requirements substantially identical to this provision and Supplier will remain responsible to Purchaser for any breach of this provision by its sub-tier suppliers. No disclosure, description or other communication of any sort will be made by Supplier to any third person of the fact of Purchaser's purchase of Goods hereunder, the terms of this Purchase Order, the substance of

any discussions or negotiations concerning this Purchase Order, or either party's performance under this Purchase Order.

27.3. Supplier acknowledges that Purchaser is the owner of all right, title and interest in, and to, any trademarks used in the provision of the Goods (the "Trademarks"). All goodwill resulting from the use of the Trademarks by Supplier, including any additional goodwill that may develop because of Supplier's use of the Trademarks, will inure solely to the benefit of Purchaser, and Supplier will not acquire any rights in the Trademarks except those rights specifically granted in this Purchase Order or a writing signed by Purchaser. Supplier will use the Trademarks in strict conformity with this Purchase Order, Purchaser's directions and with Purchaser's corporate policy regarding trademark usage. Supplier shall not: (a) use the Trademarks in any manner likely to diminish their commercial value; (b) knowingly use any name, domain name, logo or icon likely to cause confusion with the Trademarks; (c) make any representation to the effect that the Trademarks are owned by Supplier rather than Purchaser; (d) file or obtain, or cause any third party to file or obtain, any applications or registrations or domain names for the Trademarks or any terms confusingly similar to the Trademarks; or (e) challenge the validity of Purchaser's ownership of the Trademarks. Supplier further will not at any time, either during the term of or after the expiration of this Purchase Order, contest the validity of the Trademarks or assert a claim or any other right to manufacture, sell or offer for sale products under the Trademarks, or any trademark confusingly similar thereto.

28. Audit

28.1. Supplier will maintain suitably detailed records as may be necessary to adequately reflect Supplier's compliance with the terms of this Purchase Order. Supplier will permit Purchaser's auditors to have access at all reasonable times to Supplier's books and other pertinent records and Supplier will require each of its sub-tier suppliers to do likewise with respect to their books and records. Supplier and each sub-tier supplier will also furnish other information as may be needed by Purchaser's representatives in auditing compliance.

28.2. Purchaser may perform audits up to two years following completion of this Purchase Order. If, as a result of an audit, any invoice submitted by Supplier is found to be in error, an appropriate adjustment will be made to the invoice or the next succeeding invoice following the discovery of the error and will be paid promptly by Supplier or Purchaser, as the case may be. Supplier will promptly correct any other Supplier deficiencies discovered as a result of the audit.

29. Assignment and Subcontracting

Supplier will not assign this Purchase Order or any rights or obligations hereunder or subcontract all or any material aspect of the work called for hereunder without the prior written approval of Purchaser. Any assignment without Purchaser's written approval will be voidable at the option of Purchaser. Purchaser may assign this Purchase Order or any of its rights or obligations hereunder to any of its subsidiaries or affiliates, or to any purchaser or successor to all or substantially all of the assets of the business or product line to which this Purchase Order relates without Supplier's consent and upon notice to Supplier.

30. Relationship of Parties/Independent Contractor

Nothing in this Purchase Order will be construed to place Supplier and Purchaser in an agency, employment, franchise, joint venture or partnership relationship. Neither party has the authority to obligate or bind the other in any manner and, except as expressly set forth herein, nothing contained in this Purchase Order will give rise or is intended to give rise to rights of any kind to any third parties. Neither party will make any representation to the contrary. The parties agree that Supplier will perform its obligations under this Purchase Order as an independent contractor. Supplier retains the right to exercise full control of, supervision over and responsibility for Supplier's performance hereunder, including the employment, direction, compensation and discharge of Supplier's personnel, as well as compliance with workers' compensation, unemployment, disability insurance, social security, withholding and all other laws, rules, codes, regulations and ordinances governing such matters.

31. Compliance with Laws and Integrity

31.1. Supplier will comply with all applicable national, international, state/provincial and local laws, regulations, ordinances and directives, including without limitation those related to the environment, health and safety, and Purchaser's Code of Business Conduct ("Code") in performing this Purchase Order. In addition, and to the extent Purchaser and its suppliers are required to comply with codes of conduct of Purchaser's customers, Supplier will also comply with those codes of conduct. Supplier will maintain an integrity and compliance program acceptable to Purchaser and its customers and effective in preventing and correcting ethical violations and in maintaining compliance with laws.

31.2. Supplier shall maintain quality management standards pursuant to ISO/TS, QS or other related standards, to ensure, among other things, the Goods are safe, reliable and of good quality pursuant to applicable industry standards.

31.3 Goods furnished under this agreement will have been produced in compliance with all applicable governmental and regulatory requirements including, without limitation, the Hazard Communications Standard (MSDS) of the Occupational Safety and Health Administration, the Ozone Depleting Chemical Restrictions of the United States Environmental Protection Agency, and the restrictions set forth in the Montreal Protocol on ozone-depleting substances.

431.5 Supplier warrants that all representations and certifications furnished by Supplier as required by law or regulation in connection with this order are accurate, current and complete as of the effective date of this order, and that to Supplier's knowledge no person has been paid a kickback or illegal gratuity in connection with this Purchase Order.

31.6 Supplier agrees to provide Purchaser, within five (5) business days of Purchaser's request, written certification stating the extent of Supplier's compliance with this Section 31.

31.7 If this order is issued under a U.S. Government contract or subcontract the provisions set forth in Purchaser's government requirements contract are incorporated herein by reference as though fully set forth.

31.8 Supplier agrees to comply with any End of Life Vehicle (ELF) laws or regulations or Purchaser or its customers' requirements related to eliminating or controlling restricted substances in the Goods including, but not limited to, compliance with the Global Automotive Declarable Substance List (GADSL) requirements and data entry of materials in Supplier's Goods into the International Material Database System (IMDS). Information on GADSL may be obtained at <http://www.gadsl.org>.

32. Applicable Law and Forum

The construction, interpretation and performance hereof and all transactions hereunder shall be governed by the laws of the State of Illinois, U.S.A. without regard to or application of its principles or laws regarding conflicts of laws, and excluding the United Nations Convention on the International Sale of Goods of 1980 (and any amendments or successors thereto). Any dispute not resolved by the parties shall be subject to the exclusive jurisdiction of the federal or state courts located in Cook County, Illinois.

33. Remedies

All Purchaser remedies set forth in this Purchase Order are in addition to, and will in no way limit, any other rights and remedies that may be available to Purchaser at law or in equity.

34. Notices

Any "notice" required by or otherwise relating to this Purchase Order must be in writing. Notices to the parties will be sent to their respective addresses appearing on the face of this Purchase Order. Notices must be delivered personally; or delivered by recognized overnight courier; or mailed certified first class mail, postage prepaid; or sent by facsimile transmission to the facsimile number provided by Purchaser or Supplier respectively; or sent by electronic transmission (email) with proof of delivery. Any notice will be deemed given on the date delivered if delivered personally; three business days after being placed in the mail as specified; or upon confirmation receipt that it was transmitted satisfactorily if transmitted by facsimile or electronic transmission.

35. Publicity

Any news release, public announcement, advertisement, publicity or any other disclosure concerning this Purchase Order to any third party except as may be necessary to comply with other obligations stated in this Purchase Order requires prior written approval of Purchaser.

36. Headings and Captions

Headings and captions are for convenience of reference only and do not alter the meaning or interpretation of any provision of this Purchase Order.

37. Waiver

The failure of either party to enforce at any time any of the provisions of this Purchase Order will not be construed to be a continuing waiver of any provisions hereunder, nor will any such failure prejudice the right of such party to take any action in the future to enforce any provisions hereunder.

38. Severability

If any provision of this Purchase Order is held to be illegal, invalid, or unenforceable by applicable law, that provision will be severed from this Purchase Order; the remaining provisions will remain in full force and effect; and a similar legal, valid and enforceable provision will be substituted in lieu of the severed provision.

39. Supply Chain Security

Supplier will implement the Business Partner Criteria of any Supply Chain Security Program that the country of import for the Goods may adopt such as the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) or the Canadian Partners in Protection (PIP) Program.

40. Conflict Mineral Reporting

Purchaser supports the disclosure of conflict minerals pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 as may be amended from time to time ("Act") designed to ensure that specified metals, specifically, gold, tin, tantalum and tungsten, are not being sourced from mines situated in the Democratic Republic of the Congo and surrounding countries ("DRC"). In this regard, Purchaser may from time to time request certain information from Supplier concerning the origin of metals that are used in the manufacture of Goods. Supplier agrees to submit to Purchaser, within fifteen (15) days of Purchaser's written request, any and all information, documents and certifications reasonably required by Purchaser to accurately complete and fulfill conflict mineral reporting obligations, including Supplier certifications that the Goods are DRC "conflict free" as defined under the Act. Purchaser's conflict minerals policy and Supplier's obligations are subject to change and Supplier agrees to reasonably cooperate with any good faith inquiry related to Purchaser's conflict minerals policy.

41. Survival

All provisions of this Purchase Order which by their nature should apply beyond its term will remain in force after any termination or expiration of this Purchase Order including, but not limited to, those addressing the following subjects: Import/Customs Compliance, Price, Price: Most Favored Customer and Meet or Release, Spare Parts Pricing, Invoicing and Payment, Setoff, Warranty, Recall, General Indemnification, Intellectual Property Indemnification, Insurance, Confidentiality and Intellectual Property, Audit, Applicable Law and Forum, Publicity, and Survival.

These General Terms and Conditions can also be found at framgrp.com/supplier.html.

Rev. 06/2016