



**PRES-ON CORPORATION  
PURCHASE ORDER  
TERMS AND CONDITIONS**

**ACCEPTANCE; ENTIRE AGREEMENT:** The Purchase Order ("PO") constitutes an offer (or counter-offer) by Pres-On Corporation, an Illinois corporation ("Pres-On") to buy the products and/or services described therein at the prices quoted therein from the supplier named on the face of the PO ("Supplier") in accordance with and subject to these Terms and Conditions ("Terms"). The PO shall be deemed accepted by Supplier upon the earlier of (i) the day Supplier takes action to deliver the products or services described on that PO, or (ii) the second (2<sup>nd</sup>) day from issuance of the PO unless Supplier has rejected in writing the PO within such two (2) day period. Upon acceptance, Supplier shall be obligated to sell and supply to Pres-On the products and/or services contemplated by the PO, and the PO together with these Terms and any other documents specifically incorporated by reference on the face of the PO will become a binding contract between Pres-On and Supplier and represents the entire agreement between the parties. No additional or different terms or conditions offered by Supplier will be binding upon Pres-On unless specifically agreed to in writing by an authorized representative of Pres-On. Pres-On hereby objects to any such additional or different provisions contained in any purchase confirmation or other communication heretofore or hereafter received from Supplier.

**MODIFICATIONS/CHANGES/CANCELLATIONS:** Any requested modification to the PO is subject to the approval of Pres-On. No accepted PO may be cancelled or altered by Supplier except upon Pres-On's written consent. Supplier agrees to provide at least one hundred twenty (120) days written notice prior to any requested increase in pricing.

**INVOICE; PAYMENT; BILLING DISPUTES:** Unless otherwise specified herein or on the face of the PO, Supplier shall invoice Pres-On for the products or services provided under the PO only after the products or the services are received by Pres-On. Supplier will issue invoices referencing the applicable PO number, and including all other relevant information for Pres-On to match such invoice against the PO, including item number, description of the items, sizes, quantities, unit prices and extended totals. If the PO contains more than one item, Supplier's invoice will make the proper references. Pres-On may set off any amount owing from Supplier to Pres-On against any amount payable by Pres-On. Pres-On may withhold payment of any invoiced amounts that it disputes in good faith and the parties shall work in good faith to resolve any such billing disputes. Any such billing disputes shall not be cause for Supplier's nonperformance of services and/or non-delivery of products, as the case may be, under the PO. Payment by Pres-On shall not result in a waiver of its rights under the PO.

**TAXES:** Each of Pres-On and Supplier shall bear sole responsibility for all taxes of any kind imposed by a federal, state, local, or foreign governmental authority, directly on said party, including, but not limited to, those on, or measured by or referred to as income, gross receipts, financial operations, franchise, profits, license, excise, premium, windfall profits taxes, duties or similar fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by such governmental authority with respect to that party's income, operations, employment, property (whether owned, leased or deemed to be owned or leased) or business operations. All invoices will comply with the requirements of each relevant taxing authority and shall contain data and registration numbers that will enable Pres-On to obtain appropriate credit for any taxes charged. Taxes, if any, which are to be collected by Supplier, will be stated separately on the invoice and shall be remitted by Supplier to the appropriate taxing authority.

**PAYMENT TERMS:** Except as provided otherwise in the PO, all undisputed Invoices are due within sixty (60) days from Pres-On's receipt. Pres-On is entitled to a two percent (2%) discount if payment is made within ten (10) days from Pres-On's receipt of Invoice.

**FREIGHT/ADDITIONAL CHARGES:** Unless otherwise noted, all charges applicable to the handling and shipping of a product, including freight, fuel, carton, packing, etc. ("Freight Charges") are not included in the prices listed on the PO, and Freight Charges will not be billed to Pres-On unless Pres-On has agreed in writing in advance to pay Freight Charges. Any applicable agreed upon Freight Charges will be invoiced as a separate line item after Supplier has been invoiced by the carrier. Agreed upon Freight Charges billed to Pres-On may not exceed the charges invoiced by the applicable carrier. Pres-On shall have sole discretion to select carrier and mode of shipment. All products are F.O.B. Bolingbrook, IL unless otherwise specified in the PO. Regardless of shipping terms or responsibility for payment of Freight Charges, all risk of loss or damage in transit shall be borne by Supplier.

**PRODUCT DELIVERY:** Supplier shall be responsible for packaging, loading and shipping products in accordance with any packaging specifications, shipping methods and other related requirements set forth in the PO or otherwise communicated in writing to Supplier by Pres-On. If no such specifications, methods or requirements are so specified, Supplier shall be responsible for packaging, loading

and shipping the products in a manner sufficient to prevent damage and loss to the products during shipment. Shipments must equal quantity ordered, unless otherwise agreed by Pres-On in writing. Supplier shall provide a packing list to Pres-On (which shall be securely attached to the outside of the package) for all shipments referencing the applicable PO number. In all cases in which product is shipped on a pallet, all such pallets must meet ISPM 15 standards or such other standards required by Pres-On.

**SHIPPING:** Supplier will be expected to work towards 100% on time delivery (defined as zero (0) days late with respect to the delivery date indicated on the applicable PO). If at any time it appears that Supplier will not meet such delivery date or schedule, Supplier shall promptly notify Pres-On in writing of reasons for, and the estimated duration of, the delay. Supplier will bear all risk of loss until the products are delivered to the designated destination. Supplier will be responsible for all additional costs (i.e. expedited delivery) resulting from any missed or late deliveries.

**CUSTOMS CLEARANCE:** For shipment of products imported into the commerce of the United States, Supplier shall promptly provide Pres-On with a commercial invoice that includes the information required by 19 CFR 141.86, as supplemented and/or amended from time to time. Supplier shall remain fully responsible for its compliance obligations under the PO.

**MATERIAL SAFETY DATA SHEETS:** Supplier shall provide to Pres-On all necessary information related to the safety, safe handling, environmental impact, and disposal of the product including, without limitation, material safety data sheets. Supplier shall promptly deliver to Pres-On, as it becomes available to Supplier, any updates or amendments to the information, including those made to address the United Nations Globally Harmonized System of Classification and Labeling of Chemicals requirements, provided pursuant to this section and any new information relating to the safety, safe handling, environmental impact, or disposal of the product.

**CHANGES:** Supplier acknowledges and agrees that Pres-On may provide Supplier with a written request for changes to the services and/or products, as the case may be, from time to time. Pres-On and Supplier shall review all such requests to determine the effect, if any, such requested changes may have upon fees payable, delivery schedule, and other terms and conditions of the PO. After such effects have been assessed, Pres-On may decide, in its sole discretion, whether to implement such changes. If Pres-On elects to implement such changes, the parties shall enter into a written agreement signed by both parties that describes such changes, which agreement shall constitute an amendment to the PO.

**TERMINATION FOR CONVENIENCE:** Upon written notice to Supplier, Pres-On may terminate for convenience the PO in whole or in part.

**SPECIFICATIONS AND QUALITY STANDARDS:** The products will be produced, packaged and supplied as set forth in the PO and in accordance with any other specifications and quality standards required by Pres-On. In addition to its other obligations, Supplier will be obligated, on an expedited basis, to replace and substitute deliveries for defective and non-conforming products and services free of charge, and pay a handling fee to Pres-On per defective or non-conforming product in the amount of ten percent (10%) of product cost or such other amount as Pres-On reasonably determines. Pres-On will have the right to review, inspect and accept all products and services in accordance with the Inspection; Acceptance of Products and Services section included herein. Further, Supplier shall perform its obligations under the PO in a manner that meets or exceeds the service levels, if any, set forth in the PO. If Supplier fails to meet any such service levels, Supplier shall perform a root cause analysis of such failure and shall promptly take corrective actions.

**INSPECTION; ACCEPTANCE OF PRODUCTS AND SERVICES.** All products or services delivered or performed shall be subject to final review, inspection and acceptance by Pres-On, notwithstanding any payment or initial inspections. Acceptance of products and services shall occur when the products or services delivered under the PO have been inspected by Pres-On and determined to meet the requirements specified in the PO. Pres-On shall make such inspection within a reasonable period of time (not to exceed ninety (90) days) after the applicable products have been delivered or services completed by Supplier. For the avoidance of doubt, there shall be no time restrictions applicable to Pres-On's provision of notice of rejection of any product with respect to any latent defects, which shall include any defects that may not be detected by Pres-On through standard inspection and testing of a product sample or that may affect only a portion of product. If the products or services do not meet such requirements, Pres-On shall give Supplier detailed written notification of the deficiency or non-conformance and a direction to Supplier to promptly (and in any event within thirty (30) days): (i) repair, replace or re-perform the deficient or non-conforming products or services; or (ii) cease all Supplier activities related to products or services; and/or (iii) refund to Pres-On all fees paid by Pres-On hereunder for the deficient or non-conforming products or services and those products or services that are dependent on such deficient or non-conforming products or services. Any such corrected products or services shall be subject to the same inspection and acceptance terms provided for in this section. If Pres-On directs Supplier to repair, replace or re-perform the deficient or non-conforming products or services and Supplier fails to complete same within thirty (30) days after Pres-On's direction, then Supplier shall refund to Pres-On all fees paid by Pres-On under the PO for

the deficient or non-conforming products or services and those products or services that are dependent on such deficient or non-conforming products or services. Inspection and acceptance of any products or services by Pres-On shall not affect Supplier's warranties or Pres-On's remedies under the Warranties section included herein. The foregoing shall not be construed to limit or exclude any other rights or remedies of Pres-On at law or in equity.

**WARRANTIES:** In addition to any performance warranties set forth herein or on the face of the PO and any proposal, quote, or other document issued by Supplier and accepted by Pres-On, Supplier will warrant that: (i) the products and services, and if applicable, the product packaging, will fully comply with and satisfy the specifications and quality standards, (ii) the products and services are merchantable, (iii) the products and services are fit for their intended purpose, (iv) the products and services do not infringe or violate any third party intellectual property rights, and (v) the products fully comply with all applicable law. The warranties will run to Pres-On, its affiliates, customers, and end users.

**COMPLIANCE WITH APPLICABLE LAWS AND STANDARDS OF CONDUCT:** Supplier shall comply with all applicable laws and Pres-On's Supplier Code of Business Conduct and Ethics found on Pres-On's website, as amended and updated from time to time.

**LIMITATION OF LIABILITY:** IN NO EVENT WILL PRES-ON OR ANY OF ITS AFFILIATES BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES, CLAIMS, OR LOSSES WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, LOST PROFITS AND/OR LOST OPPORTUNITIES) RESULTING FROM OR RELATED TO THE USE, MISUSE, PURCHASE, OR SALE OF ANY OF SUPPLIER'S PRODUCTS OR SERVICES, WHETHER BASED ON WARRANTY, CONTRACT, TORT, OR ANY OTHER LEGAL THEORY, WHETHER OR NOT FORESEEABLE, AND WHETHER OR NOT ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**DISCLAIMER AND INSURANCE REQUIREMENT:** Supplier warrants that all products will comply in all respects with all laws, rules, regulations, guidance, standards, orders and requirements mandated by the US based governing entity, or any other governing entity outside of the US that legitimately regulates, controls or in any way affects Supplier's production and distribution of products, whether related to the manufacturing of a product or to that product's ultimate end use, including without limitation all applicable laws, rules, regulations, guidance, standards and requirements of the FDA. Supplier hereby agrees to indemnify, defend and hold Pres-On harmless from and against any and all claims, damages, liabilities, costs (including reasonable attorneys' fees) and expenses related to or arising from the inaccuracy or breach of the foregoing warranty.

Supplier further agrees to obtain and maintain throughout the time it performs all work required to supply Pres-On with the products and services, and for at least five (5) years thereafter, product recall insurance with limits of at least \$5,000,000 per occurrence and \$5,000,000 general aggregate or such larger amounts as Pres-On may reasonably require from time to time. Such insurance shall:

- be placed with insurance companies licensed to do business in Illinois, domiciled in the USA, and rated at least "A-X" by A.M. Best's Key Rating Guide; and
- be primary and non-contributory and in a form satisfactory to Pres-On;

And if required by Pres-On in order for Supplier to maintain recurring business with Pres-On, such insurance in addition shall:

- contain an endorsement providing that Pres-On must be given thirty (30) days prior written notice of any cancellation or material change in the policy or coverage thereunder, unless such cancellation is for non-payment of premium, in which case only ten (10) days notice of cancellation shall be required; and
- contain an endorsement adding Pres-On.

Upon Pres-On's request, Supplier will furnish valid Certificates of Insurance to Pres-On evidencing the insurance required herein.

**INDEMNIFICATION:** Supplier agrees to defend, indemnify and hold Pres-On and its affiliates and their respective owners, directors, officers, employees, representatives, agents, customers and users of the products harmless from and against any and all claims, demands, losses, damages, liabilities, settlement amounts, costs or expenses (including court costs and reasonable attorneys' fees) arising out of or resulting from (i) a breach by Supplier of any agreement with Pres-On, including these Terms, (ii) any defective product supplied by Supplier, (iii) the negligence, bad faith or intentional or willful misconduct of Supplier, (iv) any product liability claims related to the products, (v) any intellectual property infringement claims related to the products, (vi) any recalls related to the products, (vii) excessive product failures, and (viii) any violation of applicable law by Supplier or its affiliates in connection with supplying the products. Such obligation shall not be construed to limit, negate or abridge any obligation of indemnification hereunder running to Pres-On or that would otherwise exist. Pres-On shall give Supplier timely notice of any claim threatened or made, or suit instituted against it, which could result in a claim for indemnification hereunder, provided however, that lack of or delay in such notice shall not be a waiver of Supplier's indemnification obligations to Pres-On.

**AUTHORITY:** Supplier is validly existing and in good standing under the laws of the jurisdiction of its organization and has the power and authority to enter into the PO. The PO has been duly executed and delivered by Supplier and constitutes the valid and binding obligation of Supplier, enforceable against it in accordance with its terms except as enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of the PO have been duly authorized by all necessary action on the part of Supplier, its officers and directors.

**NO ACTIONS PENDING:** There is no action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the best of Supplier's knowledge, threatened against Supplier, wherein an unfavorable decision, ruling or filing would materially adversely affect the performance by Supplier of its obligations hereunder or the other transactions contemplated hereby, or which, in any way, would adversely affect the enforceability of the PO, or any other agreement or instrument entered into by Supplier in connection with the transactions contemplated hereby. In the event Supplier becomes aware of such action, suit or proceeding, Supplier shall immediately notify Pres-On.

**GOVERNING LAW / ATTORNEYS' FEES:** These Terms shall be governed by the laws of the State of Illinois (without regard to conflict of laws provisions). The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded. The parties agree that any action or proceeding to enforce or arising out of the PO (including these Terms or the parties' performance hereunder) shall be commenced only in state or federal courts located in Chicago, Illinois. The parties consent to such jurisdiction, agree that venue will be proper in such courts and waive any objections based upon Forum Non Conveniens. Supplier shall reimburse Pres-On for all reasonable attorneys' fees and collection costs incurred by Pres-On to enforce its rights against Supplier under these Terms.

**COOPERATION/COORDINATION WITH THIRD PARTY VENDORS:** Supplier acknowledges that Pres-On may work with one or more other third party consultants and service providers from time to time in connection with the PO. Supplier shall reasonably cooperate with all such third parties as Pres-On may request from time to time.

**EQUAL OPPORTUNITY/AFFIRMATIVE ACTION:** Unless otherwise exempt under rules and regulations of the Secretary of Labor, Supplier agrees to comply during performance of the PO with the following clauses as set forth in the indicated Code of Federal Regulations reference. Equal Opportunity/41 CFR Part 60-1.4, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era/41 CFR Part 60-250-4 and Affirmative Action for Handicapped Workers/41 CFR Part 60-741.4.

**ASSIGNMENT AND SUBCONTRACTING:** Any assignment of the PO or the work to be performed, in whole or in part, or of any other interest hereunder, without Pres-On's written consent shall be void. Supplier agrees not to subcontract for any complete or substantially complete materials, supplies and/or services called for by the PO without the prior written approval of Pres-On.

**CONFIDENTIALITY:** Except as otherwise specifically agreed in writing between the parties, all drawings, data, designs, engineering instructions, models, specifications or other technical information, written, oral or otherwise, supplied by or on behalf of Pres-On or prepared by Supplier specifically in connection with performance of the PO (collectively, "Confidential Information") shall be Pres-On's property and shall be held in confidence by Supplier and used solely for the performance of the PO. Supplier shall take all reasonable precautions (a) to limit disclosure of such Confidential Information within Supplier's organization only to those employees and agents who have a need to know in order to fulfill Supplier's obligations hereunder and who have agreed to keep the Confidential Information confidential, and (b) to prevent any such Confidential Information from being divulged to third persons not employed by Supplier, including having recipients acknowledge the confidential status of such Confidential Information and agreeing to similar restrictions. The confidentiality and non-use obligations shall survive termination or completion of the PO and will continue for three (3) years thereafter, or for as long as the Information remains a trade secret, whichever is longer.

**RELEASE OF INFORMATION TO PUBLIC:** Supplier shall not, without the prior consent of Pres-On, make any release of information concerning the PO (other than to Supplier's employees and subcontractors as is required for the performance of their duties) or use the name of Pres-On in any advertising or publicity.

**RIGHTS AND REMEDIES:** The rights and remedies of Pres-On set forth herein shall be in addition to any other rights and remedies available at law or in equity and the failure or delay by Pres-On to exercise any rights or remedies hereunder shall not operate as a waiver thereof, or preclude the exercise of any other rights or remedies.

SEVERABILITY: A finding that any provision of these Terms is invalid or unenforceable in any jurisdiction will not affect the validity or enforceability of any other provision of these Terms or the validity or enforceability of that provision in any other jurisdiction.

RELATIONSHIP OF THE PARTIES: Except as otherwise specifically agreed in writing between the parties, the Supplier is an independent contractor of Pres-On and nothing herein shall be construed as creating any agency, partnership, employment or joint venture relationship. Supplier is not an agent of and has no authority to bind Pres-On. Supplier shall not take any action inconsistent with the foregoing.

MATERIAL, EQUIPMENT, TOOLING AND FACILITIES. Unless otherwise stated in the PO, Supplier shall supply all material, equipment, tools, tooling and facilities required to perform the PO. Title to all property furnished to Supplier by Pres-On or specifically paid for by Pres-On or the cost of which is fully or substantially amortized in the price of the items purchased hereunder and any replacements thereof or any materials affixed or attached thereto (all hereinafter collectively referred to as "Pres-On's Property") shall be and remain in Pres-On with the right of possession in Pres-On and Supplier will use Pres-On's Property only in the performance of work for Pres-On. Pres-On's Property while in Supplier's custody or control or while in the custody or control of Supplier's suppliers will: (a) be held at Supplier's risk, (b) be kept insured by Supplier at Supplier's expense against loss and damage in an amount equal to the cost of replacement, (c) be conspicuously marked "Property of Pres-On" and such markings maintained, (d) not be commingled with the property of Supplier or with that of a third person, (e) not be moved from Supplier's premises without Pres-On's written approval, and (f) be used in compliance with Pres-On's or the manufacturer's instructions and in compliance with all applicable laws. Pres-On's Property will be subject to removal at Pres-On's written request, in which event, Supplier, at its expense, will prepare Pres-On's Property for shipment and will deliver it to Pres-On in the same condition as originally received by Supplier, reasonable wear and tear excepted. If Supplier does not release and deliver any of Pres-On's Property in accordance with this Section, Pres-On shall be entitled to obtain an immediate writ of possession, enter Supplier's premises and take possession of Pres-On's Property. Supplier will maintain accountability and property control records of Pres-On's Property in accordance with sound industrial practices. Pres-On will have the right to enter Supplier's premises at all reasonable times to inspect Pres-On's Property and Supplier's records with respect thereto. Supplier, at its expense, will maintain Pres-On's Property in good condition and repair or replace Pres-On's Property to the extent necessary for performance of the PO. To the extent permitted by law, Supplier waives its right to object to the repossession of Pres-On's Property by Pres-On in the event Supplier is involved in bankruptcy proceedings. Pres-On is not the manufacturer of Pres-On's Property, nor the manufacturer's agent nor a dealer therein, and PRES-ON HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF PRES-ON'S PROPERTY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. Pres-On will not be liable to Supplier for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by Pres-On's Property, including without limitation, the use or maintenance thereof, or the repair, service or adjustment thereof, or by an interruption of service or for any loss of business whatsoever or howsoever caused, including, without limitation, any loss of anticipatory profits or any other indirect, special or consequential damages. Upon completion or termination of the PO, Supplier will store Pres-On's Property at its expense until disposition directions are received from Pres-On.