



A-DEC PURCHASE ORDER STANDARD TERMS AND CONDITIONS

1. ACCEPTANCE BY SUPPLIER.

A-dec requests a written acknowledgment of this Purchase Order. The acknowledgment shall not add to or be inconsistent with this Purchase Order, as provided in paragraph 2 of these Terms and Conditions. However, Supplier acknowledges and agrees that it will be bound by all of the Terms and Conditions of this Purchase Order if Supplier acknowledges this Purchase Order in writing or orally, or commences performance or accepts any payment from A-dec under this Purchase Order.

2. ENTIRE AGREEMENT.

This Purchase Order is the entire agreement between Supplier and A-dec regarding the goods ordered and incorporates by this reference the latest version of any drawings, designs, specifications, or samples of the goods ordered and all express and implied warranties made by Supplier. This Purchase Order supersedes all oral agreements between A-dec and Supplier. By accepting this Purchase Order, Supplier agrees that A-dec is not to be bound by any term or condition of Supplier relating to the order, in a written acknowledgment, invoice, or otherwise, that is inconsistent with or in addition to the Terms and Conditions of this Purchase Order, except as provided in paragraph 3 of these Terms and Conditions. Unless stated in this Purchase Order, any prior written contractual agreements remain in force as issued in original form.

3. CHANGES AND EXCESS DELIVERIES.

This offer to purchase is limited to acceptance of the terms and conditions of the offer. The Supplier must notify A-dec in writing prior to any changes being made to the raw materials, components, specifications, or production methods that impact form, fit or function. **SUPPLIER SHALL NOT SUBCONTRACT FOR GOODS AND SERVICES FOR A-DEC PRODUCTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE BUYER.** Any such changes must be approved by the Purchasing Manager before implementation. A-dec will not be bound by any change to the specifications, shipment, routing, or other terms or conditions of this Purchase Order unless such change is in writing, explicit, and signed by A-dec's purchasing manager or other authorized representative. In no event shall A-dec's silence be construed as acceptance of proposed changes in, or additions to, the terms and conditions of this Purchase Order.

A-dec shall not be responsible for goods delivered or work done against its account except when authorized by a written Purchase Order. Shipments in excess of quantities ordered or delivered substantially earlier than requested may be returned by A-dec at Supplier's expense, or, upon advice to Supplier, warehoused at Supplier's expense.

4. MODIFICATION.

By written notice to Supplier, A-dec may at any time prior to shipment make reasonable changes to the quantities, specifications, delivery schedules, or methods of shipment stated in this Purchase Order. If any change in this Purchase Order made by A-dec causes an increase or decrease in the cost or time required for performance by Supplier, an equitable adjustment in the price or delivery schedule shall be made and the Purchase Order modified



in writing accordingly. Any claim by Supplier for an adjustment under this paragraph must be submitted to A-dec in writing within 30 days after Supplier receives notice of the change requiring the adjustment. Nothing in this paragraph excuses Supplier from performing this Purchase Order as changed, notwithstanding the failure of A-dec and Supplier to agree to an adjustment in the price or delivery schedule.

5. CANCELLATION.

By written notice to Supplier, A-dec may at any time prior to shipment cancel this Purchase Order. Upon cancellation under this paragraph, A-dec shall pay Supplier a cancellation charge of five percent of the purchase price or costs incurred by Supplier for performance prior to cancellation, whichever is less. If, however, the goods ordered are custom made, so that Supplier cannot reasonably recover their value by any other means, A-dec shall pay one hundred percent of the costs incurred by Supplier for performance prior to cancellation.

6. TIME OF THE ESSENCE.

Time is of the essence in the performance of the agreement resulting from this Purchase Order. A-dec may cancel the unreceived portion of this Purchase Order at any time if delivery of the goods ordered is not timely. In the event of cancellation under this paragraph, A-dec shall be under no obligation to pay for goods undelivered at the time of cancellation. If Supplier can fulfill its delivery obligation only by shipping by premium routing, the premium charges shall be at Shipper's expense and, if A-dec is responsible for shipping charges, Supplier will reimburse A-dec for the premium paid.

7. PACKING AND SHIPPING.

Unless otherwise specified in this Purchase Order, packaging of the goods to protect against damage in shipping shall be Supplier's responsibility and at Supplier's expense. A packing list shall accompany each shipment and shall specify the Purchase Order number and describe the goods and quantity shipped. Supplier shall bear the risk of loss and shall ensure the goods until the goods are in A-dec's possession, typically FCA.

8. HAZARDOUS SUBSTANCES OR PROCESSES.

Supplier shall provide A-dec, immediately upon acceptance of this Purchase order, a complete material safety data sheet (MSDS) for each hazardous substance for which an MSDS is required by 29 CFR §1910.1200 and any similar information required by federal or state laws and regulations in effect at the time of acceptance of this Purchase Order.

9. TAXES AND OTHER CHARGES.

Unless otherwise agreed in writing, the contract price is in US dollars FCA A-dec designated carrier.

10. ACCEPTANCE OF SHIPMENT.

A-dec receives the goods subject to inspection and approval within a reasonable time after receipt. If a shipment is not accompanied by a packing list, Supplier shall accept A-dec's accounting as final. A-dec shall have the option to reject and return all or part of any shipment of goods that fails to comply with all specifications or that has been damaged during shipment. A-dec's right of inspection and rejection, whether exercised or not, shall not affect A-dec's right to revoke acceptance or pursue other remedies if defects or nonconformities are discovered at a later



date, notwithstanding that the defect or nonconformity could have been discovered upon inspection. Payment for goods specified on this Purchase Order shall not constitute acceptance of the goods. Supplier agrees to pay or reimburse A-dec for invoice, delivery or labor costs and other costs incurred in sorting, inspecting, and packing nonconforming or damaged goods for return, and Supplier agrees to pay for or reimburse A-dec for freight for goods A-dec returns to Supplier for replacement.

11. A-DEC PROPERTY AND PROPRIETARY INFORMATION.

Designs, drawings, information, equipment, materials, tooling and other property, supplied to Supplier by A-dec or purchased by A-dec for this order belong to A-dec and will remain the property of A-dec after completion of this Purchase Order. Supplier to provide a copy of insurance as proof too A-dec that A-dec owned Property on Supplier site is adequately covered. Supplier shall not use any of the foregoing property for any purpose other than the performance of this Purchase Order. When no longer needed for this Purchase Order or other Purchase Order of A-dec, the foregoing property, including spoiled and surplus property, shall be returned to A-dec unless A-dec instructs otherwise. Any of the foregoing property that A-dec designates as confidential or as a trade secret, or that Supplier has reason to know is confidential or a trade secret, shall be disclosed only as necessary to perform the Purchase Order, and Supplier shall make all reasonable efforts under the circumstances to maintain the secrecy of the property.

12. COMPLIANCE WITH LAW.

Supplier shall acquire, produce, and deliver the goods ordered in accordance with all applicable laws.

13. EXPRESS WARRANTIES.

Supplier warrants to A-dec that the goods specified in this Purchase Order are of merchantable quality; are fit for the purposes for which goods of that type are ordinarily used as well as for any purposes that A-dec or Supplier has specified or advertised; meet all of Supplier's specifications given to A-dec, are free, as of the date of delivery, of all defects in design, materials, workmanship, and title; do not infringe patents, trademarks, copyrights, or similar rights; and conform in every respect to the specifications of the Purchase Order and any applicable sample or description given to A-dec. Supplier further incorporates by reference and passes on to A-dec the benefits of all warranties given to Supplier by persons from whom Supplier purchased any of the goods. In the event A-dec receives a claim that is determined to be Supplier defective product or workmanship, Supplier will take full responsibility for financial losses incurred by A-dec.

14. INDEMNITIES.

Supplier agrees to defend, indemnify, and hold A-dec harmless of and from any claims, loss, damage, or expense arising out of any defect or nonconformity in Supplier's goods, out of the breach of any warranty by Supplier, or out of the presence of Supplier's agents or employees on A-dec's premises, including, without limitation, payment of direct, special, incidental and consequential damages, and expenses of defending claims, including attorney fees at trial, on appeal, and on any petition for review. This duty to defend, indemnify, and hold harmless extends to any legal proceedings, whether the proceedings are based on contract, warranty, strict liability in tort, negligence, failure to comply with any applicable federal statute, executive order or regulation, or other legal theory. Supplier's duty extends not only to claims of others but also to any direct loss suffered by A-dec.

15. U.S. GOVERNMENT CONTRACTOR.

Supplier acknowledges that A-dec contracts with the U.S. government and that Supplier is a “subcontractor” or “supplier” under various federal statutes, Executive Orders, and regulations. Supplier generally certifies to A-dec that Supplier fully complies with all applicable federal statutes, Executive Orders, and regulations.

16. EQUAL OPPORTUNITY.

The equal opportunity clause contained in section 202 of Executive Order 11,246 as amended by Executive Order 11,275 is incorporated in this Purchase Order. By acceptance of this Purchase Order, Supplier certifies that it is in compliance with all applicable nondiscrimination and affirmative action requirements of Executive Order 11,246, the Rehabilitation Act of 1973, the Vietnam Era Veterans Readjustment Assistance Act of 1974, the regulations of the Secretary of Labor set forth in 41 CFR chapter 60, the minority business enterprise requirements set forth in 41 CFR subparts 1 and 13, and all related amendments. Requirements of those authorities are incorporated in this Purchase Order by the above references. Supplier certifies that it does not and will not maintain any facilities for its employees in a manner segregated on the bases of race, color, religion, or national origin, and it will not permit its employees to perform services at any location under its control where segregated facilities are maintained.

17. BUSINESS CODE OF CONDUCT.

Supplier will recognize its responsibilities toward the international and local communities within which it operates and the individuals that make up those communities, and, as appropriate, agrees to comply with the ILO Code of Conduct/Conventions and the Universal Declaration of Human Rights or other appropriate guidelines and to maintain certification as required. Supplier will respect international and domestic rules and recognize that some behavior, although legal, may still have adverse consequences. Supplier will recognize the rights of stakeholders as established by laws and encourage active co-operation between companies and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

Supplier will protect and, where possible, improve the environment within which it operates, promote sustainable development and prevent the wasteful use of natural resources. Supplier will support free and fair competition in our industries and avoid anti-competitive actions. Supplier will implement a company governance framework that ensures timely and accurate disclosure on all material matters regarding the company. Supplier will not participate in or condone extortion, bribery, money laundering, or other corrupt practices, and to abide by the Foreign Corrupt Practices Act.

18. DEFAULT.

If Supplier breaches any provision of this Purchase Order, becomes insolvent, enters voluntary or involuntary bankruptcy or receivership proceedings, makes an assignment for the benefit of creditors, or is unable at any time to provide reasonable assurance to A-dec of the ability to perform this Purchase Order, A-dec may, without limiting any other rights or remedies it may have, cancel this Purchase Order by written notice to Supplier. Upon cancellation under this paragraph, A-dec is relieved of all further obligations to Supplier, and Supplier shall be liable to A-dec for all costs incurred by A-dec in completing or procuring performance of the remainder of this Purchase Order.



19. WAIVER.

A-dec's rights under this Purchase Order or by operation of law are not waived by any previous waiver, forbearance, or course of dealing.

20. REMEDIES.

No remedy provided in the Purchase Order shall be deemed exclusive of any other remedy allowed by law.

21. DISPUTES.

THE RIGHTS AND LIABILITIES OF THE PARTIES UNDER THIS PURCHASE ORDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF OREGON, U.S.A. ANY LITIGATION BETWEEN THE PARTIES SHALL BE COMMENCED AND PROSECUTED IN STATE OR FEDERAL COURTS IN OREGON. THE PREVAILING PARTY IN ANY LITIGATION SHALL BE ENTITLED TO RECOVER REASONABLE EXPENSES OF LITIGATION, INCLUDING ATTORNEYS' FEES AND EXPENSES ON ANY APPEAL AND PETITION FOR REVIEW.

22. TRANSLATION:

Supplier hereby states that this Agreement has been translated, either verbally or in writing, into a language in which Supplier representative is fluent, prior to Supplier's representative's signature below, and that Supplier's representative understands the rights and obligations under this Agreement.