

CTB, Inc. Purchase Order Terms and Conditions

Hereafter, CTB Inc. , is referred to as “Buyer” and the Vendor identified on the face of the Purchase Order is referred to as “Seller”.

1. Acceptance-Delivery-Entire Agreement. Acceptance of this order shall be unqualified, unconditional, subject to and expressly limited by the terms and conditions contained herein or incorporated herein by reference. Return of the acknowledgement copy of this order without exception, or commencement of work on any or all items (which term includes without limitation raw materials, piece parts, subassemblies, secondary operations and services), or performance or shipment of all or any portion of this order shall constitute acceptance by Seller of this order upon the terms and conditions set forth herein. Buyer shall not be bound by additional provisions or provisions at variance herewith that may appear in Seller’s quotation, acknowledgement, invoice or in any other communication from Seller to Buyer unless such provision is expressly agreed to in writing signed by Buyer. Buyer’s acceptance of or payment for items shall not constitute acceptance of any counterproposal submitted by Seller not otherwise accepted in a writing signed by Buyer. This order constitutes the entire agreement between Buyer and Seller and no order, notice, change, modification, suspension, revision or termination of this order shall be binding upon Buyer unless made in writing and signed by Buyer.

The time of delivery stated is of the essence of this contract. The date specified for delivery is the required delivery date at Buyer’s plant, unless otherwise specifically noted hereon. Buyer reserves the right to refuse any goods and to cancel all or any part hereof if Seller fails to deliver all or any part of any goods in accordance with the terms specified herein. If Seller’s deliveries will not meet agreed schedules, Buyer may require Seller to ship via a more rapid route or carrier in order to expedite such delivery and any difference in cost caused by such change shall be paid by Seller provided, nevertheless, that such acceptance of any part of the order shall not bind Buyer to accept future shipments nor deprive it of the right to return goods already accepted and shall not be deemed to be a waiver of Buyer’s right to cancel or return all or any part of the goods because of failure to conform to order or by reason of defects, latent or patent, or the breach of warranty or to make any claim for damages, including manufacturing cost or loss of profits, injury to reputation or other special consequential and incidental damages occasioned by Buyer. Such rights shall be in addition to any other remedies provide hereunder or provided by law or otherwise. Delivery shall not be deemed to be complete until goods have been actually received and accepted by Buyer, notwithstanding delivery to any carrier or until any service have been performed, received and accepted.

2. Packing and Shipping. The goods purchased hereunder must be suitably packed and prepared for shipment to secure the lowest transportation rates or appropriately packed to comply with any specific transportation specification of Buyer, and in all cases, to comply with carriers' regulations. A Packing List shall accompany each box or package shipment, showing the order number specified hereon as well as the item number and a description of the goods. In the event that no such Packing List accompanies any shipment, the count or weight or other measure of Buyer shall be final and conclusive. Buyer shall not be obligated to accept any shipments in excess of the ordered quantity and any excess or advance shipments may be returned to Seller at

Seller's expense.

3. Payment. The original and one copy of a Bill of Lading or comparable shipping document must accompany Seller's Invoices. Payment of such Invoices shall be subject to a pro rata adjustment to Buyer for any shortage in the goods shipped or defective goods rejected by Buyer. Any discount period shall be calculated from the date of receipt by Buyer of an appropriate invoice.

4. Warranties. Seller represents and warrants (1) that the price charged for the goods purchases pursuant hereto shall be no higher than Seller's current price to any other customer for the same quality and quantity of such goods; (2) that all goods delivered pursuant hereto will be new, unless otherwise specified, and free from defects in material and workmanship, that all goods will conform to applicable specifications, drawings, and standards of quality and performance, and that all items will be free from defects in design and suitable for their intended purposes. All the representations and warranties of Seller shall run to Buyer and Buyer's customers, Seller agrees to indemnify and hold Buyer harmless for all claims, liability, loss, damage and expense including special, consequential and incidental damages, and personal injuries, incurred or sustained by Buyer or direct or indirect purchasers or users of Buyer's products, by reason of any breach of any warranty with respect to the goods which are purchased in accordance herewith, to include legal fees and costs of defense.

All good supplied pursuant hereto shall be subject to inspection and test by Buyer and its agents at all times and places, whether during or after manufacture, and notwithstanding the terms of delivery or payment or that title has not yet passed to Buyer. In the event that goods supplied pursuant hereto contain defects in material or workmanship, Buyer may require prompt correction thereof, or require that the goods be replaced at Seller's expense. If such defects exist or if Seller is unable or refuses to replace the goods promptly, Buyer may by contract or otherwise replace such goods and charge Seller or deduct from amounts owed by Buyer to Seller the costs, expenses and losses including incidental and consequential damages incurred thereby which are in excess of Seller's price for such goods. After notification to Seller that goods are defective, all risk of loss with respect to such goods shall be in Seller and Seller shall pay all packing and shipping charges in connection with defective goods returned by Buyer. Buyer's approval of design furnished by Seller shall not relieve Seller of its obligations herein. The goods covered by this order are intended for the manufacture and sale of Buyer's established products in which Buyer has built a substantial and valuable reputation for quality and efficiency and any defect in the goods hereunder may occasion special damage to Buyer. All rights and remedies of the Buyer hereunder shall be in addition to any other remedies provided by law.

5. Changes. Buyer may at any time by written or telegraphic notice make changes within the general scope of this order in any one or more of the following:

- (i) Drawings, designs, or specifications;
- (ii) Methods of shipment or packing;
- (iii) Quantities;

- (iv) Delivery schedules, and
- (v) Place of Delivery

If any such change increases or decreases the cost of, or the time required for the performance of the orders, an equitable adjustment on the price and/or delivery schedule will be made and set forth in a written modification to this order. Any claim for adjustment by Seller under this clause must be made within thirty (30) days from the date of receipt of the written notification of the change.

6. Taxes. Federal, state or local taxes which are properly billable to Buyer shall be stated separately in Seller's invoices. All tax exemption certificates will be accepted by Seller.

7. Patents. Seller guarantees that the material hereby ordered and the sale or use of it, will not infringe any existing or future United States or foreign Letters Patent or any existing or future United States or foreign trademarks, and Seller agrees to defend, protect and save harmless Buyer, its successors, assigns, customers and users of its products against all suits at law or in equity, and from all damages, claims for damage, for actual or alleged infringement of any patent or trademark by reason of the sale or use of material hereby ordered.

8. Assignments. This Purchase Order is not assignable and shall not be assigned by Seller without the prior written consent of Buyer.

9. Regulatory Compliance. Seller represents that the goods covered by this order have been manufactured and sold in compliance with the requirements of the Robinson-Patman Act, the Fair Labor Standards Act and other federal, state and municipal laws, rules and regulations as applicable.

10. Termination. Buyer reserves the right to terminate this order in whole or, from time to time, in part for default occasioned by failure on the part of Seller to perform in accordance with the requirements of this order or to make progress so as to endanger performance hereunder. Any such terminations will be without liability to Buyer except for completed Items delivered and accepted by Buyer, payment for which can be set off against any damages to Buyer. Buyer may require Seller to transfer title and delivery to Buyer any or all property produced or procured by Seller for performance of all the work terminated and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost, Seller will be liable for damages caused by or resulting from its default including but not limited to excess cost of procurement

If this order is so terminated, Buyer may procure or otherwise obtain, upon such terms and in such manner as Buyer may deem appropriate, supplies or goods similar to those terminated. Seller, subject to the exceptions set forth below, shall be liable to Buyer for any excess costs of such similar supplies or goods.

11. Default Beyond Control. Seller shall not be liable for damages or for default due to

cause beyond Seller's control and without Seller's fault or negligence, provided Seller exercises due diligence in promptly notifying Buyer of conditions which will result in delay, and provide further, if Seller's delay is caused by the default of a subcontractor or supplier, such default arises out of causes beyond the control of both Seller and subcontractor or supplier, and without the fault or negligence of either of them, and the supplies or goods to be furnished by the subcontractor or supplier were not obtainable from other sources.

12. Confidential. Seller shall not disclose any information concerning this order to any third party except as herein specified without first obtaining the written consent of Buyer.

13. Insurance. Seller agrees to protect by insurance against fire, and other casualty, any tools, gauges, fixtures, patterns, etc., in Seller's possession and belonging to Buyer or in which Buyer has an equity interest. Seller will maintain insurance to protect it from claims as to workmen's compensation, occupation diseases and employer's liability.

14. Non-Waiver of Rights. The failure of Buyer to insist upon strict performance of any of the terms and conditions in the Purchase Order or to exercise any rights or remedies, shall not be construed as a waiver of its rights to assert any of same or to reply on any such terms or conditions at any time hereafter.

15. Governing Law. This agreement shall be governed, construed and enforced in accordance with the laws of the State of Indiana, and the Seller consents to venue and jurisdiction in the State Courts of Indiana in the event of litigation arising from this Agreement.