



STANDARD TERMS AND CONDITIONS OF PURCHASE

1. **ACCEPTANCE.** Each CEN purchase order or other offer to purchase goods or service ("Order") expressly limits acceptance in accordance with these standard terms and conditions of purchase. Seller shall be deemed to have accepted CEN's Order and shall be bound by all of CEN's standard terms and conditions of purchase, as amended from time to time in the form set forth on CEN's website at <http://www.ceniehoff.com/suppliers.asp>, when it (a) delivers to CEN any confirmation, acknowledgement, or invoice, or any other document reasonably deemed an acceptance of the principal terms of this purchase order (item, quantity and price), (b) delivers to CEN any of the items ordered or otherwise begins to perform, (c) communicates to CEN a prompt promise to ship the items, or (d) expresses acceptance in any other manner. Seller should sign and return the acknowledgment copy of all purchase orders within 48 hours of receipt.

Seller's use of own confirmation, acknowledgement, invoice or similar form in response to receipt of a CEN purchase order will be permitted as a convenience only and will be deemed an acceptance of CEN's Order and all of CEN's standard terms and conditions of purchase. Accordingly, Seller is notified that CEN objects to the inclusion of any different or additional terms stated in any confirmation, acknowledgement, invoice, or in any other expression of acceptance. All such different or additional terms and conditions are rejected unless expressly assented to by CEN in a writing signed by an authorized officer of CEN.

2. **TERMS.** The terms of the contract initiated by CEN's purchase order include all the terms and conditions herein, the terms on the face of the purchase order, the specifications, drawings, data, and all other attachments and supplemental instructions previously delivered, delivered herewith, or to be delivered, with respect to the items ordered, including, without limitation, shipping, billing and routing instructions of CEN. Seller agrees that the described terms constitute the complete agreement of the parties and the final expression of their agreement with respect to all such terms and conditions.
3. **COUNTERFEIT AND REBUILT MATERIAL:** The use and supply of counterfeit and/or rebuilt materials or components is strictly prohibited.
4. **REVISION LEVEL:** Seller is responsible for checking and producing to the print revision level on the purchase order.
5. **CHANGES, MODIFICATIONS, AMENDMENTS.** No change, modification or amendment of any kind to this Order shall be binding upon CEN unless it is in a writing signed by CEN's authorized agent. CEN may at any time, by a written order directed to Seller, make changes within the general scope of this order, and Seller shall comply therewith, in any one or more of the following: (a) drawings, designs or specifications, where the items to be furnished are specially manufactured for CEN in accordance therewith; (b) method of shipment or packing; (c) place of delivery; (d) the period for performance of work.

If any such changes, causes an increase or decrease in the cost of or the time required for the performance of any part of the work under this order, an equitable adjustment shall be made in the order price or delivery schedule, or both, and the Order shall be modified in writing accordingly. Where the cost of property made obsolete or excess as a result of a change is included in Seller's claim for adjustment, CEN shall have the right to prescribe the manner of disposition of such property. Failure to agree on any claim for equitable adjustment under this claim shall be a dispute,

and pending the resolution of any such dispute, Seller shall diligently pursue the performance of the order as changed.

6. **PRICE; TAXES.** CEN shall not be billed at prices higher than stated on this purchase order without CEN's prior written approval signed by its authorized agent. Seller represents that the price charged for each item covered by this Order is the lowest price charged by Seller to buyers of a class similar to CEN and that such prices comply with all applicable government regulations in effect at time of quotation, sale or delivery. Seller agrees that any price reduction adopted before delivery of the items covered by this Order shall be applicable to this Order. Discounts shall be calculated from the date when CEN has received all of the items ordered herein and a complete invoice or invoices thereby. Any applicable State Sales or Federal Excise Taxes shall be shown separately on the invoice.
7. **QUANTITY.** CEN shall not be obligated to accept excess shipments or under-shipments of greater than 5%. At CEN's option, such shipments may be accepted or returned at Seller's expense. CEN's count will be accepted as conclusive on all shipments. CEN reserves the right (a) to send amended shipping schedules retarding or accelerating the dates of shipment of the quantities stated in this Order; (b) to order an overrun not exceeding 10% of the total quantity designated by this Order; and (c) to increase or decrease the quantities to be shipped on various dates so long as the total does not exceed the quantity designated herein, plus any permitted overruns.
8. **TITLE/IDENTIFICATION.** Transfer of title and ownership for all items shall occur only upon receipt, inspection, and acceptance at CEN's specified destination. Identification of the items to the contract under Section 2-501 of the Uniform Commercial Code shall occur at the time Seller accepts this Order.
9. **PACKING.** An itemized packing slip bearing CEN's Order number as shown herein must accompany each delivery. Each carton, container or package must be clearly marked on the outside to show this Order number and the applicable CEN part number. All items ordered shall be packed in suitable containers for protection during shipment and storage. No charge shall be made for cartons, wrapping, packing, boxing, crating, delivery, drayage, or other costs unless authority for such charge is expressly incorporated in this Order. If delivery is to be made by common carrier, bills of lading must be sent in duplicate with correct weight and through rates specified. Goods must be packaged and described to conform to Carrier's Classification Rates so as to obtain the lowest possible freight charges.
10. **DELIVERY/RISK OF LOSS.** Seller shall ship pursuant to CEN's instructions. There shall be no charge for local cartage unless specifically approved by CEN in writing. Shipments sent C.O.D. without CEN's written consent will not be accepted and will be returned at Seller's risk and expense. Time is of the essence and if delivery of items is not completed by the time promised, CEN reserves the right, without liability and in addition to its other rights and remedies to direct expedited routing (with any excess costs incurred thereby debited to Seller's account), or to cancel this contract as to stated items not yet shipped, by notice effective when received by Seller, and to purchase substitute items elsewhere and charge the Seller with any losses incurred. Any provisions herein for delivery of items by installments shall not be construed as making the obligations of Seller severable. With respect to goods delivered in advance of schedule, CEN may at its option either (i) return the goods at Seller's expense for proper delivery, or (ii) withhold payment until the date the goods are actually scheduled for delivery. Except as otherwise provided in this Order, (a) Seller shall be responsible and bear all risks for loss and damage to the items required by this Order until they are delivered at CEN's facilities, regardless of F.O.B. or F.A.S. point or other designated points of delivery, inspection, or acceptance; and (b) Seller shall also bear such risk of loss after any rejection of goods.
11. **INSPECTION.** All items to be delivered under this Order shall, at all reasonable times and places, including during the period of manufacture, be subject to inspection and test by CEN and all Quality

Assurance and Manufacturing Process History shall be made available for inspection by CEN or its authorized representative, and Seller will provide all tools, facilities and assistance reasonably necessary for such inspection. All items purchased hereunder are subject to inspection and final approval at CEN's destination. CEN reserves the right to reject and refuse acceptance of items which are not in accordance with the instructions, specification sheets, drawings and data, or with any of Seller's warranties (express or implied). Goods which have been delivered and rejected may be returned to Seller for reimbursement, credit, replacement or correction as CEN may direct or may be corrected and/or replaced by CEN, at Seller's expense. CEN may charge Seller for the cost of inspecting merchandise rejected; items not accepted will be returned to Seller at Seller's expense. Inspection and/or payment for any item prior to delivery shall not be deemed final acceptance thereof. Goods rejected by CEN shall not thereafter be tendered for acceptance unless the former rejection or requirement of rejection is disclosed. The packaging and handling expense incidental thereto, and the applicable transportation costs will be charged to Seller's account. Seller agrees to provide and maintain an inspection and quality control system acceptable to CEN. The system of quality control shall conform to the quality control requirements that are specified in the purchase order including drawings, specifications and data which are a part of the Order. Seller further agrees to maintain adequate authenticated inspection and test documents which relate to work performed under the Order. Such records shall be retained by Seller for a period of three (3) years after completion of this Order or as otherwise specified by CEN and made available to CEN upon request. Seller agrees to supply CEN with inspection and test reports, affidavits, certification, or any other documents requested by CEN.

12. **SELLER'S INSOLVENCY.** In the event of any proceedings by or against Seller, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a receiver, trustee, or assignee of the property of Seller for the benefit of creditors, CEN shall have the right in its sole discretion, to cancel the contract, without penalty or to reduce the quantity of goods to be delivered.
13. **GENERAL INFORMATION AND CHANGES** – Seller warrants, agrees and guarantees that all of the information provided regarding the articles and materials furnished hereunder, including any warnings or limitations regarding their use, is true and correct. Seller also agrees to furnish upon request all pertinent supporting data. Also, when a significant change occurs, or at the time of submission to any Federal, State, or Local agency or other regulatory body, or upon a specific request from the CEN, Seller agrees to furnish CEN with the most recent test data, or other empirical information regarding the articles or materials furnished hereunder, including, but not limited to, modifications in design, specifications or changes in performance characteristics.
14. **WARRANTY.** Seller expressly warrants that all items delivered hereunder will conform to CEN's material and parts specification sheets, any other specifications, drawings, samples or descriptions furnished or specified by CEN (and/or submitted to CEN by Seller and accepted by CEN), collectively, the "Specifications", and all representations made herein or on the face of the purchase order. Without limitation, and for the avoidance of doubt, if Seller receives from CEN or any other supplier, materials or components used in the manufacture or assembly of the items to be delivered to CEN hereunder, it is Seller's obligation to inspect such materials and components and determine that they conform to applicable Specifications, if any, and Seller will be liable under this warranty for the failure of the item, including any such materials or components, to comply with applicable Specifications. Seller further warrants that all items will be free from defects in workmanship and material and where not ordered to Specifications, Seller further warrants that the items will be merchantable and fit and sufficient for the purpose intended. All such warranties shall survive inspection, testing, acceptance of, and payment for the items and shall run to CEN, its successors, assignees and customers. Seller agrees that CEN is a direct beneficiary of any consumer product warranty provided by Seller. Seller warrants that the articles and materials furnished hereunder conform to the standard for such articles and materials as set forth in any applicable Federal, state or local law or regulation. Seller warrants that in performing under the contract to which this Order

applies, it will not use or supply to CEN counterfeit or rebuilt materials or components, and that it maintain a calibration system to mil-std-45662 requirements.

15. **REMEDIES.** In addition to any other remedies available to CEN hereunder and under any provision of the Uniform Commercial Code, CEN may at its option, return for credit, return for refund, or require prompt correction or replacement of, the defective or nonconforming item or part thereof. Return to Seller of any defective or nonconforming items, and delivery to CEN of any corrected or replaced items, shall be at Seller's expense. Items required to be corrected or replaced shall be subject to the provisions of this clause, and the clauses hereof entitled "Inspection" in the same manner and to the same extent as items originally delivered under this Order, but only as to the corrected or replaced part or parts thereof.
16. **PROPRIETARY INFORMATION.** All CEN furnished forecasts, promotions, designs, material and parts engineering specifications, drawings, samples, or other materials, information and data, and any similar items prepared or developed by Seller specifically in connection with performance of this Order (the "Information") are to be considered confidential and proprietary to CEN, and CEN hereby retains all of its right, title and interest in and to all the information, whether furnished prior to or after acceptance of this Order. Without the prior written consent of CEN, none of the Information shall be disclosed by Seller to others, or used by Sellers, except in the performance of this Order. Upon completion of performance hereunder, or immediately at any time upon CEN's request, all such Information shall be promptly returned by Seller to CEN. Any similar information disclosed by Seller in connection with this Order shall not be deemed to be confidential or proprietary information and shall be acquired by CEN free from any restrictions as part of the consideration for this Order.

Seller agrees that all information heretofore or hereafter furnished or disclosed to CEN by Seller, in connection with the placing or filling of an Order, is furnished or disclosed as part of the consideration for this order, that such information is not, unless otherwise agreed to by CEN in writing to be treated as confidential or proprietary, and that Seller shall assert no claims (other than for patent infringement) by reason of the use or disclosure of such information by CEN, its assigns or its customers. No employee of CEN has the authority to make an agreement providing for the confidential treatment of, or limiting the use or disclosure of information so furnished or disclosed, unless such agreement is made in writing and signed by CEN's President. Seller shall not in any manner advertise or publish the fact that it has furnished, or contacted to furnish CEN the goods or services herein mentioned without prior written consent of CEN. Seller shall not disclose any details in connection with this order to any party except as may be otherwise provided.

17. **TOOLING.** Unless otherwise specified by purchase order, all tooling and/or all other articles required for the performance hereof shall be furnished by Seller, shall be maintained in good condition and replaced when necessary at Seller's expense. If CEN agrees to pay seller for "Special Tooling" and/or other such articles either separately or as stated part of the unit price of goods purchased, title to same shall pass to CEN upon payment.
18. **CEN'S PROPERTY.** Title to all property furnished to Seller by CEN or paid for by CEN, shall remain with CEN. Seller shall not alter or use such property for any purpose, other than that specified by CEN, or for any other person without the prior written consent of CEN. Seller shall keep adequate records which shall be made available to CEN upon request and shall store, protect, preserve, repair and maintain such property in accordance with sound industrial practice, all at Seller's expense. Unless otherwise agreed to by CEN, Seller shall insure CEN's interest in such material against loss or damage by reason of fire (including extended coverage), riot or civil commotion.

In the event that CEN's property becomes lost or damaged to any extent for any other cause, while in Seller's possession, Seller agrees to indemnify CEN or replace such property, at Seller's expense in accordance with CEN's request. At the completion or termination of the goods or services requested

by CEN in this order, for which CEN's property was required. Seller shall request disposition instructions for all such property or the remainder thereof, whether in its original form or in semi-processed form. Seller agrees to make such property available to CEN at CEN's request in the manner requested by CEN, including preparation, packaging and shipping as directed. Expense for preparation for shipment will be for Seller's account and shipment shall be made F.O.B. Seller's plant.

19. **WAIVER OF LIEN RIGHTS.** Seller hereby waives its rights to all statutory and common law mechanic's lien, materialman's lien, artisan's lien, mold and die, or similar lien under the laws of any jurisdiction related to or arising out of the Seller's performance of services for CEN or with, on, or otherwise with respect to CEN's property. Seller shall furnish on CEN's request, waivers by Seller and by all other persons otherwise entitled to assert any such lien rights in connection with performance of this Order. Seller shall deliver to CEN all affidavits, lien releases, materialmen's certificates and other documents reasonably deemed necessary, appropriate, or useful to CEN to protect CEN's interest in its property under applicable lien law. If at any time there shall be evidence of the existence of any such lien, CEN may use money then due or to become due to Seller to discharge any such lien or to satisfy such claim and may credit any such amounts against the amounts due or to become due to Seller.
20. **INSURANCE REQUIREMENTS.** Seller agrees to maintain at all times subsequent to acceptance of this Order the following insurance coverage: General Liability Insurance including Contractual Liability, Products Liability, and Vendors Liability, all carrying coverage of at least \$1,000,000 for a single occurrence and \$2,000,000 in the aggregate annually. CEN is to be included as an additional insured under the above coverages, and is to be given sixty (60) days advance notice of cancellation, reduction, or any material change in coverages. Upon CEN's demand, Seller shall deliver copies of policies or certificates of insurance evidencing such coverages.
21. **PATENTS, COPYRIGHTS, TRADEMARKS; INDEMNIFICATION.** Except for items which are supplied pursuant to CEN's specifications, Seller warrants that no item provided pursuant to this Order infringes upon any patent, trademark, copyright or other intellectual property right of any person. Seller shall indemnify and save harmless CEN, its successors, assigns, customers or users of its products, from and against all loss, liability and damage, including cost and expenses, resulting from any claim that the manufacture use, sale or resale of any goods supplied under this order infringe any patent or patent rights, or resulting from any charge of trademark infringement based upon a trademark applied to the Seller's products or their containers by or at the direction of the Seller, and Seller shall when notified, defend any action or claim of such infringement at its own expense, indemnification shall not apply to goods manufactured in accordance with CEN's detailed design or any infringement based solely upon the use of goods supplied hereunder in combination with other goods not furnished by Seller, unless such combination is in accordance with recommendations or specifications furnished by Seller. In the event the sale and/or use of such goods is enjoined, Seller shall at its own expense, either procure for CEN the right to continue using such goods or replace same with equivalent noninfringing goods or modify such goods so they become noninfringing, or remove same and refund the purchase price, including transportation, installation, removal and other charges incidental thereto, as mutually agreed upon between CEN and Seller.
22. **LIABILITY/INDEMNITY.** Seller agrees to protect, defend, reimburse, indemnify and hold CEN, its parent, any affiliates, and the employees and agents of any, of them (and with respect to any claimed infringements, by the customers of any of them), free and harmless at all times from and against any and all claims, liabilities, expenses, losses (including reasonable attorneys fees and costs of investigation), demands, damages, fines, and causes of action of every kind and character, from any cause whatsoever made, incurred, sustained or initiated by any party hereto, any party acquiring an interest hereunder, any agent or employee or any parties hereto, or of any party acquiring an interest hereunder, any other third party, or any governmental agency, and arising out of, incident to,

or in connection with the breach of any representation, warranty, covenant or agreed to term contained in this Order, or by reason of any strict tort or negligence claim based on either an actual or alleged defect in the articles or materials purchased hereunder.

23. **TERMINATION.** CEN may at any time, with or without cause, cancel or terminate the contract in whole or in part by written notice to Seller. Without limiting the generality of the foregoing, CEN may, in its sole discretion, immediately cancel or terminate the contract for good cause, and without any liability to Seller, in the event of Seller's insolvency as described herein. CEN may also give written notice of cancellation or termination, in whole or in part, in the event of a breach by Seller of any representation, warranty, or covenant made on the face or reverse of this Order. If the contract is terminated without cause, any claim of Seller (a) with respect to standard stock items shall be limited to payment for items actually shipped prior to such cancellation, and (b) with respect to items manufactured to CEN's specifications shall be settled on the basis of reasonable costs Seller has reasonably incurred in the performance of the Order.
24. **COMPLIANCE WITH LAW.** All CEN Orders are issued in accordance with the "Anti-kickback Act of 1986". By accepting this Order, Seller represents and warrants that it has complied with, and will continue during performance of this Order to comply with, all federal, state and local laws and regulations relating to the manufacture, importation, distribution, or sale of items covered by this Order, including but not limited to the Fair Labor Standards Act of 1938, as amended, and Section 202 of Executive Order 11246 (the Equal Opportunity Clause), as amended, relevant rules, regulations and orders of the Secretary of Labor, and the related implementing regulations of the Office of Federal Contract Compliance. CEN is a government contractor and Seller may therefore be required to provide a certificate or certificates of compliance with respect to any special conditions that may be required of government contractors.
25. **COMPLIANCE WITH FEDERAL ACQUISITION REGULATIONS (FAR):** CEN is at various times a contractor and a subcontractor for the US Government. CEN is obligated to be in compliance with FAR 52.222-54 Electronic Employment Eligibility Verification. A requirement of this FAR is to pass this requirement to subcontractors. By accepting this Purchase Order, Seller is confirming compliance to FAR 52.222-54.
26. **CONSEQUENTIAL DAMAGES.** By acceptance of this Order, Seller acknowledges that the goods which are the subject of this Order cannot be easily or readily replaced. Seller is hereby notified that CEN's ability to fill customer orders may depend on Seller's timely performance under the contract. Any breach by Seller, including a shipment of non-conforming goods or a delay in delivery, may also cause a delay in delivery to CEN's customers, resulting in the cancellation of orders by CEN's customers, lost profits, and other consequential damages suffered by CEN, for which Seller shall be liable.
27. **ASSIGNMENT.** Seller shall not assign the contract or any monies due or to become due hereunder without written consent of CEN, and any such prohibited assignment or attempted assignment shall be voidable as to CEN. Any payment to an assignee of any claim under this Order shall be subject to set-off, recoupment or other reduction for any claim which CEN may have against Seller.
28. **REMEDIES NOT EXCLUSIVE; WAIVER.** All rights and remedies granted to CEN herein shall be in addition to and not in lieu of any rights and remedies CEN may have, legal or equitable, under the Uniform Commercial Code or other applicable federal, state or local law. A waiver of a breach of any provision hereof shall not constitute a waiver of any subsequent breach of the same or any other provision hereof.
29. **GOVERNING LAW/CONSENT TO JURISDICTION.** Seller and CEN acknowledge that the transaction which is the subject matter of this Order bears a reasonable relation to the State of Illinois

and agree that the law of Illinois, including the Uniform Commercial Code, shall govern their rights and duties hereunder, including the construction, performance and enforcement of the contract, but without regard to Illinois' conflict of law principles. Seller hereby consents (i) to the exclusive jurisdiction of the state and federal courts located in Illinois for any action brought by either party with respect to claims relating to or arising out of the transaction which is the subject of this Order (ii) to the nonexclusive jurisdiction of such courts for the purposes of enforcing any judgment or arbitration award pursuant to this Order; and (iii) to the jurisdiction of any court in which CEN is made a defendant in any action arising out of or relating to the items covered by this Order and to which CEN seeks to join Seller.

30. **ARBITRATION.** Either CEN or Seller may cause any controversy or claim arising out of or relating to the Order, including a breach of any provision of these terms, to be submitted to arbitration by giving the other party written notice of its election to arbitrate the dispute. The arbitration shall be held in Chicago, Illinois and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.
31. **ATTORNEYS FEES.** In the event of a breach of the contract by Seller, and in addition to any other remedies available to CEN, at law or in equity, Seller hereby agrees to pay, to the full extent permitted by law, all costs and expenses of enforcement, including reasonable attorneys fees and costs of investigation.
32. **EFFECT OF INVALIDITY.** The invalidity in whole or in part of any provision hereof shall not affect the validity of any other provision.