

LECO CORPORATION TERMS AND CONDITIONS FOR SUPPLIERS

1. **Formation of Contract.** The terms set forth in this Purchase Order (this "Order") are the sole terms for the purchase of goods and services by LECO Corporation ("Buyer"), and shall apply to the exclusion of any additional or different terms contained in Seller's quotation, proposal or acknowledgement, or otherwise proposed by Seller. Written acceptance of this Order, or commencement of performance of any work or services pursuant to this Order, shall constitute acceptance of this Order. The Order is limited to and conditioned upon Seller's acceptance of the terms and conditions set forth herein. The purchase of goods or services by Buyer is expressly conditioned on Seller's assent to all of the terms stated in this Order. All terms and conditions proposed by Seller that are different from or in addition to this Order are expressly rejected by Buyer. No purported verbal agreement or other understanding that attempts in any way to modify the terms and conditions of this Order will be binding on Buyer. Any modification to this Order shall be made only in writing signed by both Buyer and Seller.

2. **Invoicing; Payment and Price.** All invoices must show the Order number. Unless otherwise stated in this Order, invoices for accepted goods and services will be paid within 60 days of receipt. Payment does not constitute acceptance of goods or services. The price stated in this Order shall not be increased unless specifically authorized in writing by insurance of a revised Order signed by Buyer. Seller warrants that the prices charged Buyer and state in this Order are no higher than prices charged by Seller to others for similar goods or services in similar quantities and conditions.

3. **Taxes.** No sales, use, excise or other taxes, whether federal, state or local, shall be added to the purchase price unless otherwise stated in this Order. Rather, it is acknowledged and agreed that unless otherwise specified in this Order, the purchase price includes all such taxes.

4. **Shipping.** Where specified by Buyer, Seller shall deliver to the specific dock identified in the purchase order. Seller must include a packing list with all shipments. Delivery shall be made in one shipment, unless otherwise specified by Buyer to Seller. Seller shall adhere to shipping directions specified on Buyer's releases. Seller acknowledges that time is of the essence and Seller shall notify Buyer immediately if Seller believes it cannot meet Buyer's delivery requirements. Buyer may from time to time change delivery schedules. Buyer shall not be liable for payment for goods delivered in excess of the quantities or after the times specified in Buyer's delivery instructions to Seller. Unless otherwise stated in this Order, all shipments shall be F.O.B. Buyer's plant and shall be made at Seller's expense and risk of loss. Title and risk of loss pass to Buyer upon receipt of the goods at Buyer's plant. Buyer shall have the right to instruct Seller on the method of shipment and packaging. No charges will be allowed for boxing, crating, packing, or other preparation for shipment.

5. **Changes.** Any changes to the design (including drawings and specifications), processing, methods of packing and shipping, and the date or place of delivery of the goods covered by this Order shall not affect the time or performance or cost, unless Seller notifies Buyer in writing within ten (10) days of receipt by Seller of notice of any change. Without Buyer's prior written approval, Seller shall not change (a) any third party supplier to Seller of services, raw materials, or goods used by Seller in connection with its performance under this Order, or (b) the nature, type, or quality of any services, raw materials, or goods used by Seller or its suppliers in connection with this Order.

6. **Inspection of Goods; Samples.** All goods and services described in this Order shall be subject to Buyer's inspection and approval. Buyer reserves the right to reject any nonconforming goods or services. Acceptance of any goods shall not relieve Seller from any of its other obligations under this Order. Seller shall provide samples in the amounts and the times requested by Buyer.

7. **Seller's Quality Control; Inspection of Seller.** Seller agrees to establish and maintain quality control procedures to satisfy the requirements of Buyer and Buyer's customers. Buyer has the right to inspect Seller's plant(s) periodically to determine Seller's compliance with applicable quality control standards.

8. **Seller's Warranties.** Seller expressly warrants to Buyer, its customers and assigns, that all the goods and services provided under this Order will: (a) be delivered free and clear of any security interest, lien, or encumbrance of any kind; (b) conform to the specifications, drawings, samples, representations and other descriptions of the goods and services provided by Buyer, or made by Seller; (c) will be of good material and workmanship, free from defects in material, design and workmanship; (d) will be merchantable and fit for the particular purposes of Buyer and its customers (to the extent Seller is on notice of those purposes); (e) will comply with all applicable laws and regulations, including, but not limited to, Seller's identification of any hazardous materials and Seller's providing to Buyer all applicable SDS forms; and (f) that any tooling and dies sold or provided by Seller to Buyer will be capable of producing parts that are acceptable to Buyer and its customers. These warranties shall be in addition to any other warranty stated in this Order or available to Buyer under applicable law.

9. **Indemnification of Buyer (General).** Seller shall indemnify, defend, and hold Buyer and its agents, employees, successors, customers, and users of its and their products, harmless from all suits, claims, actions or proceedings, at law or in equity, from any and all demands, losses, liabilities, judgments, damages, costs and/or expenses, including but not limited to actual attorney fees, resulting from: (a) the death or injury to any person or damage to any property arising out of or in any way connected, with the performance of this contract by Seller or the goods provided hereunder; (b) matters and/or allegations that the goods are defective, unfit or unsafe; and/or (c) that the goods do not meet applicable laws or regulations. The foregoing indemnification obligations apply even if the loss results from the concurrent or partial negligence of Buyer. Seller shall defend such claims or suits at Seller's expense by reputable counsel satisfactory to Buyer.

10. **Indemnification of Buyer (IP).** Seller shall indemnify, defend, and hold Buyer and its agents, employees, successors, and customers harmless from any claims, demands, losses, liabilities and expenses, including but not limited to actual attorney fees, arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, copyright, trademark, trade name, mask work right, or other proprietary right, or claim of unfair trade, unfair competition or actual or alleged misuse or misappropriation of a trade secret, in connection with the manufacture, sale or use of the goods or services sold by Seller to Buyer, except to the extent that any claim, liability, or expense arises solely from Seller's compliance with specifications and designs furnished by Buyer.

11. **Confidentiality of Buyer's Information.** All non-public, confidential or proprietary information of Seller, whether oral or in writing, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Order is confidential and Seller agrees not to use or disclose any such information (except as necessary to fulfill Seller's obligations under this Order) without Buyer's prior written consent. Upon demand by Buyer, Seller shall promptly return to Buyer all information disclosed by Buyer to Seller, together with all copies of copies of such information.

12. **Tools.** All property, including without limitation, all tools, jigs, dies, fixtures, patterns and equipment furnished to Seller by Buyer to perform the contract and/or this Order, or for which Seller has been reimbursed by Buyer, shall remain the sole and exclusive property of Buyer ("Buyer's Tools"). Seller agrees that Buyer has the right at any time, with or without reason, and without payment of any kind to retake possession of or request return of any of Buyer's Tools. Seller waives any and all rights it may have to a security interest in Buyer's Tools, whether arising now or in the future, for any reason. Seller represents and warrants that it will not hereafter permit any security interest or other lien or encumbrance to attach to Buyer's Tools at any time. Seller shall maintain property damage insurance on Buyer's Tools covering the period when Buyer's Tools are in the Seller's possession. Seller shall keep Buyer's Tools in good repair. Seller shall return to Buyer all of Buyer's Tools immediately upon completing the manufacture of the goods. All shipping charges for Buyer's Tools shall be Buyer's responsibility. Risk of loss during shipment shall be on Buyer. Seller hereby authorizes Buyer to file financing statements and any other documents that Buyer may reasonably request to publicize Buyer's right, title, and interest to Buyer's Tools.

13. **Seller's Default.** Seller is in default if any of the following occurs (each, a "Seller's Default"): (a) Seller breaches, repudiates, or threatens to breach any term in the contract evidenced by this Order, this Order, or in any other agreement between Seller and Buyer; (b) Seller fails promptly to provide adequate written assurances of performance satisfactory to Buyer when it appears that Seller may not perform in accordance with this Order and assurances are requested by Buyer; (c) Seller fails to perform any other material provisions of this Order; (d) Insolvency of Seller or filing of a voluntary or involuntary petition in bankruptcy with respect to Seller; (e) Appointment of a receiver or trustee for Seller; or (f) Execution of an assignment for the benefit of creditors of Seller.

14. **Buyer's Remedies.** In the event of a Seller Default, Buyer may exercise any remedies available under applicable law, including but not limited to: (a) Seller's immediate correction, repair, or replacement of the goods and services at Seller's expense; (b) Buyer may suspend payments, suspend performance, or cancel all or any part of the balance of any contract with Seller; and (c) Seller shall reimburse Buyer for all damages suffered due to Seller's breach, including but not limited to incidental, consequential and other damages, as well as lost profits, actual attorney fees, and court costs.

The remedies in this Order shall be cumulative and in addition to any other remedies allowed to Buyer under applicable law. No waiver by Buyer of any breach or remedy shall be a waiver of any other breach or remedy.

15. **Cancellation.** Buyer may cancel any contract evidenced by this Order at any time as to all or any part of the undelivered goods or services by giving written notice to Seller. On such cancellation, Buyer will reimburse Seller only for the Seller's actual cost of labor and materials for producing goods under this Order incurred by Seller before Buyer notifies Seller of cancellation, less any net recovery to Seller on disposition or other use of the materials or goods. Seller shall use its best efforts to mitigate its damages under this section. Upon receipt of notice of cancellation, Seller, unless otherwise directed in writing by Buyer, shall: (a) immediately terminate all work under this Order; (b) transfer title and deliver to Buyer the finished work, the work in process, and the parts and materials that Seller produced or acquired in accordance with this Order and that Seller cannot use in producing goods for itself or for others; (c) settle all claims by subcontractors approved by Buyer for reasonable costs that are rendered unrecoverable by the cancellation; (d) take actions reasonably necessary to protect property in Seller's possession in which Buyer has an interest; and (e) cooperate with Buyer in resourcing of Seller's goods or services covered by this Order to a different supplier designated by Buyer.

16. **Limitation on Seller's Remedies.** IF BUYER BREACHES ANY TERM IN THIS ORDER, BUYER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT OR ANY OTHER SPECIAL DAMAGES OF SELLER, INCLUDING BUT NOT LIMITED TO LOST PROFITS OR SELLER'S ATTORNEY FEES. ANY ACTION AGAINST BUYER ARISING OUT OF THIS ORDER MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CLAIM ACCRUES.

17. **Compliance with Laws.** Seller warrants that it is and will remain in compliance with all federal, state and local laws, regulations and ordinances relating to Seller's ability to perform its obligations under this Order.

Seller represents and warrants that it will at all times comply with all applicable provisions relating to government contractors and subcontractors, which provisions, and any contract clauses required thereunder, are incorporated in this Order by reference as if set forth in full, including, Executive Order 13496, 29 C.F.R. Part 471, Appendix A, the Affirmative Action and Equal Employment Opportunity clause of Executive Order 11246, as amended: 41 C.F.R. 60-1.4.(a)(7) and (d).

This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

Seller certifies by acceptance of this Order that it complies with the equal opportunity, affirmative action, and employee notice requirements specified in the Equal Opportunity Clauses at CFR 60-1.4, 41 CFR 60-300.5(a), and 41 CFR 60-741(a) and the Employee Notice Clause at 29 CFR 471 Appendix A to Subpart A, where applicable. Seller shall include these clauses in its purchase orders supporting this Order and shall, at LECO's request, certify to all of the foregoing.

18. **Setoff.** Buyer has the right to deductions or setoffs of any sums due to Buyer from Seller (whether or not arising from this Order) against any sums due to Seller from Buyer (whether or not arising from this Order.)

19. **Assignment.** Seller shall not assign its rights or delegate its duties under this Order without Buyer's prior written consent. Buyer may assign to any third party its rights and obligations under this Order.

20. **Entire Agreement and Amendment.** This Order contains all of the terms of the agreement between Seller and Buyer with regard to its subject matter and supersedes all prior oral or written representations, agreements, and other communications between Seller and Buyer. The contract evidenced by this Order may be amended only by a writing signed by Seller and an officer of Buyer.

21. **Severability.** All terms shall be enforced only to the maximum extent permitted by law. If any term is invalid or unenforceable, all other terms shall remain in effect.

22. **State Law.** The sale of goods and services in accordance with this Order shall be governed in all respects by the laws of the State of Michigan.

23. **Jurisdiction and Venue.** Seller and Buyer agree that any action arising out of the sale of goods or services in accordance with this Order will be brought, heard, and decided in Kent County, Michigan. Seller submits to personal jurisdiction in Michigan.

24. **Slavery and Human Trafficking Policy.** In January 2012, the state of California enacted the California Transparency in Supply Chains Act of 2010 (SB657). This Act requires manufacturers that do business in California to disclose their efforts, if any, regarding slavery and human trafficking in their supply chain.

LECO Corporation is in full support of California's efforts to implement ethical labor practices and protect human rights. LECO is committed to maintaining high ethical standards with members in our supply chain and does not condone illegal or unethical activities anywhere in the world. LECO expects our suppliers to conduct their business in a similar manner with the same high standards.

Suppliers wanting to conduct business with LECO must agree to our terms and conditions which outline our corporate policy on slavery and human trafficking. Through a risk-based approach, LECO will identify suppliers that might be at a higher risk for human rights issues. High-risk suppliers may be required to develop a corrective action plan prior to doing business with LECO. At LECO's discretion, members of our supply chain are subject to an unannounced auditing process to ensure they continue to engage in business practices that are not morally, ethically, or legally compromising.

On an as-needed basis, LECO provides training to those employees that are directly responsible for supply chain management. Employees are trained in how to identify and mitigate issues, risks, and problems in the supply chain. LECO's employees are required to understand and obey our business policies and LECO reserves the right to take disciplinary action against any employee who violates these terms.