

FREUND INC.
PURCHASE ORDER TERMS AND CONDITIONS

Unless the Purchase Order expressly provides otherwise, it is limited to these terms and conditions. FREUND INC. hereby objects to any additional or different terms proposed by Seller in any quotation, acknowledgment or other document. Any such proposed terms shall be null and void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties. No changes or modifications to this Purchase Order shall be valid unless confirmed in writing by FREUND INC.

1. DELIVERY AND ACCEPTANCE. Time is of the essence for delivery of the goods set forth in this Purchase Order (“Order”). FREUND INC. reserves the right to refuse any goods or cancel all or any part of the goods not conforming to any applicable specifications, drawings, samples or descriptions. Acceptance of any part of the Order shall not bind FREUND INC. to accept the remaining Order, future shipments, nor deprive it of the right to return goods already accepted. In no event shall payment or transfer of title constitute acceptance. Acceptance or payment shall not relieve Seller of any of its obligations or warranties hereunder or release FREUND INC. of any claim or damages it may have against Seller. Delivered goods, whether paid for or not, are subject to inspection, testing and approval by FREUND INC. prior to acceptance.

2. SHIPMENT. If the goods are not shipped in accordance with FREUND INC.'s direction and the instructions set out in this Order, Seller shall pay to FREUND INC. any excess cost occasioned thereby or FREUND INC. shall deduct the same from the invoice. Shipments shall be complete and shipped by the delivery date shown. Any excess cost as a result of partial shipments may be deducted from the invoice.

3. PURCHASE ORDER AND PART NUMBERS. Order Number and Part Numbers must appear on all packing slips, invoices, and freight tickets. Failure to show this information may delay payment of invoice. No charge for packaging or cartage will be allowed unless stated herein.

4. PRICING. Seller warrants that the prices for the goods sold hereunder are not less favorable than those extended to any other customer for the same amount of like goods in equal or less quantities. In the event Seller reduces its price for such goods during the term of this Order, Seller agrees to reduce the prices hereof accordingly. Seller's prices will not be higher than last quoted or charged to FREUND INC. or higher than stated in this Order unless authorized by FREUND INC. Except as may be otherwise provided in this Order, the contract price includes all applicable federal, state and local taxes.

5. PAYMENT. Unless stated on the face of this Order, Net Invoices for goods shall be paid net 30 from the date of receipt of the invoice or receipt of the goods, whichever is later. Discounts offered by Seller to FREUND INC. shall be allowed if payment is made on or before the scheduled payment date.

6. RISK OF LOSS. Risk of loss shall not pass until goods have been actually received and accepted by FREUND INC. Unless otherwise authorized in writing by FREUND INC., Seller shall not make commitments for materials nor fabricate in advance of time necessary to permit shipment on delivery dates.

7. EXCESS GOODS. Except for customary quantity variations recognized by trade practice, goods in excess of those specified will not be accepted, and such goods will be held at Seller's risk. FREUND INC. may, and at Seller's direction shall, return such goods at Seller's risk, and all transportation charges, both to and from the original destination, shall be paid by Seller.

8. TERMINATION. FREUND INC. may terminate this Order for its convenience, in whole or in part, by written or facsimile notice at any time. If this Order is terminated for convenience, any claim of Seller shall be settled on the basis of reasonable costs it has incurred in the performance of this Order for labor and materials which are not usable by Seller for other goods it manufactures. Materials for which Seller is reimbursed shall become the property of FREUND INC.

9. DEFECTIVE GOODS. If any of the goods fail to meet the warranties contained in Section 10, Seller, upon notice thereof from FREUND INC., shall promptly correct or replace the same at Seller's expense and reimburse FREUND INC. for all costs to rework or replace the nonconforming goods in FREUND INC.'s products. If Seller fails to do so, FREUND INC. may cancel this Order as to all such goods, and in addition, may cancel the then remaining balance of this Order. After notice to Seller, all such goods will be held at Seller's risk. At Seller's direction shall, FREUND INC. will return such goods to Seller at Seller's risk, and Seller shall bear all transportation charges to and from the original destination. Payment for such goods shall be refunded by Seller unless Seller promptly corrects or replaces the same at its expense.

10. WARRANTY. Seller expressly warrants that all goods covered by this Order will conform to the standards, specifications, drawings or other description furnished or expressly adopted by FREUND INC., and will be of good material and workmanship, and free from defects, including defect in design (if Seller's design) and, if custom-designed by Seller for the application FREUND INC. specified, be comparable in quality to similar custom goods sold for similar applications, and if the goods are not ordered to FREUND INC.'s specifications, Seller further warrants that they will be merchantable and fit and sufficient for the purpose intended.

11. INTELLECTUAL PROPERTY INFRINGEMENT. Seller shall defend, indemnify and hold FREUND INC. and its officers, directors, employees, agents, successors, assigns, and customers harmless from and against any and all claims, suits, allegations, judgments, actions, liabilities, losses, damages, costs and expenses, including reasonable attorneys' fees (collectively, “Claim”) for injury, loss or damage of any kind claimed by a third party, caused by or arising from, or alleged to have been caused by or arise from, infringement of any patent, copyright, trademark, or wrongful use of third-party trade secret or confidential or proprietary information, for or on account of the manufacture, sale, offer for sale, or use of any goods furnished hereunder, except in the case where Seller's compliance with specifications prescribed by and originating with FREUND INC. constitutes the sole basis of such infringement or wrongful use. If the use or sale of any goods furnished hereunder is enjoined as a result of such suit, Seller, at its option and at no expense to FREUND INC., shall obtain for the indemnified party the right to use and/or sell the goods or substitute acceptable equivalent goods and extend this indemnity thereto. Failure of FREUND INC. to discover and/or remedy the foregoing act(s) or omission(s) shall not excuse Seller from this obligation.

12. INDEMNITY. Seller shall defend, indemnify and hold FREUND INC. and its officers, directors, employees, agents, affiliates and successors harmless from and against any and all Claims for injury, loss or damage of any kind caused by or arising from, or alleged to have been caused by or arise from, improper or defective design, manufacture, material or workmanship in goods purchased from the Seller.

13. INDEMNITY OBLIGATIONS. FREUND INC. shall promptly notify Seller in writing of the Claim and give Seller control of the defense of same, insofar as FREUND INC. has the authority to do so. FREUND INC. shall cooperate in, but not be responsible for paying for, the investigation and defense thereof. Should Seller fail to assume its obligation hereunder, FREUND INC. shall have the right, but not the obligation, to defend itself and to thereafter require from Seller reimbursement and indemnification for any and all costs and expenses, including attorneys' fees, paid by FREUND INC. in connection therewith. Seller's insurance shall in no way be interpreted as relieving Seller of any responsibility under this section. This section shall survive fulfillment, termination, cancellation or expiration of this Order.

14. PACKAGING AND LABELING LAWS. Seller shall package and label the goods and their containers in accordance with all applicable local, state, and federal packaging and labeling laws and regulations in effect in the place to which the goods are shipped or as specified otherwise by FREUND INC.

15. REMEDIES. No remedy herein provided shall be deemed exclusive of any other remedy allowed by law.

16. CONFIDENTIALITY. This document and any material transmitted herewith (“Confidential Information”) may contain information proprietary to FREUND INC. and such Confidential Information is not to be used by the recipient for any purpose other than the purpose for which it was transmitted. Confidential Information shall be maintained in confidence and not disclosed to third parties without the written consent of FREUND INC. Seller will execute a confidentiality and non-disclosure agreement as required by FREUND INC. Upon FREUND INC.’s request such Confidential Information and any copies thereof shall be returned to FREUND INC. Where FREUND INC.’s Confidential Information are furnished to Seller’s suppliers for procurement of supplies by Seller for use in the performance of FREUND INC.’s Orders, Seller shall insert the substance of this provision in its orders.

17. 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, Equal Employment Opportunity and Executive Order 11246, as amended by 11375 and any and all other federal, state and local laws, rules and regulations as applicable.

18. MISCELLANEOUS. This Order contains the entire agreement of the parties. All headings are for identification only and shall not be construed as being a substantive part of the agreement. Seller is an independent contractor. Nothing in this Order, and no conduct, communication, trade practice or course of dealing shall be interpreted or deemed to create any partnership, joint venture, agency, or fiduciary relationship between the parties.