



GLOBAL SUPPLY
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Chainworks Inc.

Supplemental Purchase Order Conditions
CWI Form #6.7

Definitions

The term "Buyer" as used herein refers to Chainworks Inc., ("Chainworks") or its assigns.

The term "Seller" as used herein refers to the persons or entities named on the Chainworks' Blanket Purchase Order ("PO") to whom this offer is addressed and their assigns.

Terms and Conditions

1. **Acceptance of the PO is expressly limited to acceptance of all the terms and conditions herein.** These terms and conditions are incorporated by reference into the PO. If there should be any inconsistency between these terms and conditions and those appearing on the Seller's written acceptance, if any, then these terms and conditions shall govern and control.
2. This order may be accepted by any written confirmation sent from the Seller to Chainworks, including by e-mail, fax, mail, or other modes of correspondence. This offer may also be accepted by the shipment of goods to be manufactured for Buyer pursuant to the PO. The earliest of the methods of acceptance named herein shall be the date upon which this contract is formed.
3. The quantity of this contract is based upon Buyer's requirements for the goods named in the PO during the entire term set forth on the PO. Seller agrees to sell to Buyer all of the goods Buyer requires during said term for the exact price set forth on the PO with no allowances for changes in market conditions. Seller warrants and represents that it is able to meet Buyer's requirements during the term stated. Seller further agrees to reimburse Buyer for its actual, consequential, and incidental damages for Seller's failure to supply any goods required during said term. Buyer shall identify its requirements by issuing subsequent releases to Seller. The issuing of these releases shall not constitute separate contract(s) and shall not alter the terms of the PO or the terms contained herein.
4. Any modification, alteration, or addition to this PO shall be issued by an authorized representative of the Buyer.
5. Shipping is FOB destination named on release, freight prepaid.
6. The contract resulting from acceptance of this order is to be construed and governed by the laws of the State of Michigan. Any dispute arising out of this contract or Buyer's and Seller's relationship shall be resolved in the state or federal courts of Kalamazoo County, State of Michigan.
7. This contract shall not be subject to arbitration.
8. Shipping dates will be supplied on releases issued periodically by Buyer. Seller shall not ship goods prior to the dates specified on such releases unless otherwise approved by Buyer.
9. Buyer may return shipments in excess of the quantities identified on its releases to Seller at Seller's expense. Buyer may from time to time with reasonable notice, change or temporarily suspend shipping schedules specified in shipping releases. Buyer shall not be liable for any materials purchased or services rendered by Seller in excess of Buyer's releases.
10. Promptness of completion and delivery is of the essence. Buyer reserves the right to cancel this contract without expense to Buyer if a release order is not filled within a reasonable length of time.
11. Delivery of goods and services in conformity with Buyer's quality, standards and specifications is essential to this order. Seller grants Buyer and Buyer's customers the right to inspect and audit Seller's facilities and processes, at Buyer's expense, to verify Seller's processes and facilities with Buyer's quality standards and specifications. Such inspections shall be at reasonable times and after reasonable notice. Seller shall obtain Buyer's approval prior to making any changes to its manufacturing processes. Buyer reserves the right to require sample approval and testing

before approving any process change. Buyer reserves the right to cancel this contract in the event Seller cannot deliver goods or services of the particular quality, standard, or specification called for by Buyer or its customers.

12. Price, part number, and description are set forth on the PO. No modifications or allowances of the contract price shall be made in the event Seller's performance becomes impracticable. The Seller acknowledges that Buyer is a broker who intends to resell the goods and that the price agreed upon in the PO is material to the parties' contract.
13. Neither this contract nor any interest or duty governed by it shall be assigned by the Seller without a written release signed by an authorized representative of the Buyer.
14. Goods and service purchases are subject to Buyer having a reasonable time for inspection and approval or rejection. Acceptance by signature confirming the arrival of a shipment shall not constitute acceptance of goods regardless of statements to the contrary contained in Seller's shipping invoices or receipts. Buyer may hold or return non-conforming goods at Seller's expense for transportation both ways. If prior payment has been made, Seller shall reimburse Buyer for the value of any goods and services rejected. Seller shall be responsible for costs associated with non-conforming goods, which shall include defects in material or workmanship or manufacturing of goods that is not in accordance with Buyer's standards or specifications.
15. Seller hereby agrees to supply all products referenced on the PO exclusively to Buyer during the term of this contract unless Seller receives written approval signed by an authorized representative of Buyer to deviate from this condition.
16. If the PO covers tooling paid for by Buyer, such tooling shall become Buyer's exclusive property. Buyer shall pay only actual costs of such tools, and Seller must account for such costs prior to payment. Tooling must be maintained in good repair by Seller at its expense. Routine maintenance costs are to be paid by the Seller. Seller shall notify Buyer with adequate lead-time of any tooling replacement required to allow for customer approval and appropriation of funds required to replace the tool. It is the responsibility of Seller to track and maintain records of tooling life and usage.
17. Buyer at any time, by written order, may change the design (including drawings, materials, and specifications), processing, method of packing and shipping, and place of delivery of the supplies and services. If any such change affects cost or timing, Buyer shall adjust purchase price and delivery schedules equitably. In no event shall Seller make any change in materials, design, processing, packing, shipping, or place of delivery of the goods or services without a written approval signed by an authorized representative of the Buyer.
18. Seller shall indemnify and save harmless Buyer, Buyer's officers, directors, subsidiaries, successors, assignees, licensees, customers and product users against all royalties, costs, expenses, liabilities, damages, claims, demands, legal fees, judgments, and suits in law or equity (and upon request shall defend same at Seller's expense) for or resulting from (a) any actual or alleged patent, trademark, or copyright infringement, Seller's notice of which shall be promptly communicated to Buyer; or (b) any defective materials or workmanship, breach of warranty, or other act or omission of Seller, Seller's agents, subcontractors, or suppliers, negligent or otherwise; or (c) any injury to person or property resulting from work done by or for Seller; or (d) the manufacture or sale of any ordered materials.
19. Seller agrees not to solicit orders from, submit quotes to, or interfere in any manner with Buyer's customers during the term of this contract. In the event this contract is terminated by breach or either party decides not to renew it, Seller shall not solicit orders from, submit quotes to, or contact Buyer's customers for a period of two (2) years from the date of contract termination without a written release of this condition signed by an authorized representative of Buyer.
20. Seller hereby grants to Buyer and Buyer's affiliates license to use and sell goods manufactured pursuant to this PO. The licensed right granted herein by Seller to Buyer are granted without any requirement for the payment to Seller of additional consideration.
21. All goods and services furnished to Buyer by Seller shall comply with any and all environmental, health, and safety regulations of all governmental entities with jurisdiction over Buyer or Seller, including international, national, provincial, state, county, municipal, and other entities.
22. Seller, by accepting this purchase order, waives notice of breach under Michigan Compiled Law § 440.2607 of any breach other than a breach for defective manufacturing of goods under this contract.
23. The prevailing party in an action to enforce this contract shall be entitled to its actual costs and fees. This includes legal fees accruing prior to and during litigation, expert witness fees, and any research or administrative costs associated with an action arising out of a breach of this contract.
24. These terms and conditions are severable so that if any are found to be unenforceable at law or in equity, the others shall remain in effect.
25. A waiver of rights or modifications of these terms shall not occur unless in writing and signed by an authorized agent of the Buyer. Waiver of one or more of the terms herein shall not bar the enforcement of any term subsequent to that

waiver.

26. Remedies herein reserved to Buyer shall be cumulative and additional to any other remedies at law or in equity.
27. The terms and conditions set forth herein and in the PO constitute the entire agreement between Seller and Buyer. There is no verbal understanding or agreement different or in addition to these terms and conditions.

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