

## GENERAL CONDITIONS

1. **Acceptance:** This Purchase Contract Terms and Conditions is a binding contract between Romac Industries, Inc. ("Buyer") and the undersigned seller ("Seller") and is incorporated into and made a part of each purchase contract and purchase order issued by Buyer and either accepted by Seller under the terms of this contract or issued within Buyer's authority under this contract. Any additions, modifications, alterations, exceptions, or changes to this contract proposed by Seller are hereby rejected unless approved by Buyer's authorized representative in writing, notwithstanding any additional or other proposals or terms and conditions which may now or in the future appear on Seller's invoices, quotations, acknowledgements or other forms (notification of objection thereto being hereby given). Seller has been provided with a copy of Romac's Master Supplier Agreement and agrees to comply and be bound by all of the provisions contained therein, the terms of which are incorporated in this contract as if set forth in full.

2. **Shipments:** Each shipment hereunder shall be deemed to constitute a separate transaction without reference to any other shipment.

### 3. **Seller's Warranty:**

3.1 **General.** Seller warrants and represents that the products are free from any lawful claims of any description of all persons and governments. Seller further warrants and represents that the products, including all material and work furnished pursuant to this contract (including installation if provided by Seller or its subcontractor(s)) shall be of the highest grade and quality unless otherwise specified by Buyer in writing; shall be free and clear from all liens, claims or encumbrances; shall not be less than merchantable and fit for the particular purpose(s) known by or disclosed to Seller as applicable thereto; and shall meet and conform to this contract including all specifications. If requested by Buyer, Seller shall furnish satisfactory evidence as to the kind and quality of material and work furnished under this contract and/or incorporated into the products. Seller shall notify Buyer at the earliest possible opportunity of any aspect of its performance, which becomes subject to additional regulation after the date of execution of this Agreement or which Seller reasonably believes will become subject to additional regulation during the term of this Agreement.

3.2 **Non-Exclusive Remedies.** In the event that the products or any portion thereof are not in compliance with any requirements or are otherwise defective hereunder, for a period of one (1) year after the date of final acceptance of the products, Buyer may (without limitation or exclusion of any other right of Buyer) return the defective products to Seller, who will refund and return to Buyer its cost, plus freight to Buyer's warehouse or facility and freight for return to Seller or, at Buyer's sole option, Seller shall repair, correct or replace the defective products at Seller's sole cost and expense. Upon determination of a design deficiency, Seller will promptly redesign the deficient part, system or aspect of the products at Seller's cost and expense. If Buyer prefers to accept defective or non-conforming products, it may do so instead of requiring correction of products, in which case this contract will be adjusted to reflect a reduction in the total contract price as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made. Damages may not be limited to the product replacement costs; in the event that supplier's processes produced defective product and incurred costs in the usage or replacement of such products by end customer.

3.3 **Manufacturer Warranties.** Seller further agrees that all materials and equipment incorporated into the products hereunder will carry manufacturer/vendor warranties involving terms and durations which are, at a minimum, not less favorable to Buyer than those typically offered by manufacturers/vendors of such materials and equipment.

3.4 **Buyer's Corrective Work.** If Seller defaults or neglects to perform in accordance with this contract or fails to take such action as required under this Section 3 within three (3) days after receipt of written notice from Buyer to commence and continue correction of such default or neglect with diligence and promptness, Buyer may without prejudice to any other remedy it may have, make good such deficiencies. In such case an appropriate amendment to this contract may be issued deducting or setting-off from the payments then or thereafter due Seller the difference between the price for such products and the aggregate expense, including, without limitation, administrative and other indirect costs, paid or incurred by Buyer to manufacture, produce, provide, remove or replace or engage other persons to manufacture, produce, provide, remove or replace such products. If the payments then or thereafter due Seller are not sufficient to cover such amount, Seller shall pay the difference to Buyer.

3.5 **No Limitation.** Nothing contained in this Section 3 shall be construed to establish a period of limitation with respect to any other obligation which the Seller might have under this contract. The establishment of the time period of one (1) year after acceptance of the products or such longer period of time as may be prescribed by law or by the terms of any warranty required by this contract relates only to the specific obligation of Seller to correct the products, and has no relationship to the time within which Seller's obligation to comply with this contract may be sought to be enforced, nor to the time within which proceedings may be commenced to establish Seller's liability with respect to Seller's obligations other than specifically to correct the products. Nothing contained in this Section 3 shall be construed as an exclusive remedy clause or limit the remedies available to Buyer at law or in equity.

3.6 **Tooling and other Materials.** As partial compensation for the additional costs which Buyer will incur as a result of the actual physical transfer of production capabilities from Seller to Buyer or Buyer's designee, Seller shall upon the request of Buyer, transfer and deliver to Buyer or Buyer's designee title to any or all (i) tooling, (ii) Buyer-furnished material, (iii) raw materials, parts, work-in-process, incomplete or completed assemblies, and all other products or parts thereof in the possession or under the effective control of Seller or any of its subcontractors (iv) proprietary information and materials of Buyer including without limitation planning data, drawings and other proprietary information and materials relating to the design, production, maintenance, repair and use of tooling, in the possession or under the effective control of Seller or any of its subcontractors, in each case free and clear of all liens, claims or other rights of any person.

4. **Price Changes:** Prices stated in this contract may be not changed by Seller at any time during the term of this contract, unless agreed to and acknowledged between Seller and Buyer, in writing and in advance. Prices to govern are those stated in Buyer's purchase order or superseded by a specific Supplier Contract signed and in place at a date prior to the purchase order. If any current price or any proposed change in price shall be prohibited, limited or reduced by any law, decree, order or regulation enacted or promulgated after the date hereof Buyer may terminate this contract upon 30 days written notice to Seller.

5. **Force Majeure:** Seller's failure or inability to make, or Buyer's failure or inability to take, any delivery or deliveries when due, or the failure or inability of either party to affect timely performance or any other obligation required of it hereunder, other than the payment of money, if caused by "force majeure" as hereinafter defined, shall not constitute a default hereunder or subject the party affected by force majeure to any liability to the other, provided, however, the party so affected shall promptly notify the other of the existence thereof and of its expected duration and the estimated effect thereof upon its ability to perform its obligations hereunder; such party shall promptly notify the other party when such force majeure circumstance has ceased to affect its ability to perform its obligations hereunder. The quantity to be delivered hereunder shall be reduced to the extent of the deliveries omitted for such cause or causes, unless both parties agree that the total quantity to be delivered hereunder shall remain unchanged, for so long as its ability to perform hereunder is affected by such force majeure circumstance. During the time that Seller is unable to make deliveries or otherwise perform, it shall be obligated to procure, or to use its best efforts to procure, any quantity of product sold hereunder from any alternate producer or supplier. As used herein, the term "force majeure" shall mean and include any Act of God, nature or the public enemy, accident, explosion, operation malfunction or interruption, fire, storm, earthquake, flood, drought, perils of the sea, strikes, lockouts, labor disputes, riots, sabotage, embargo, war (whether or not declared and whether or not the United States is a participant), Federal, State, or Municipal legal restriction or limitation or compliance therewith, failure or delay of transportation, shortage of, or inability to obtain, raw materials, supplies, equipment, fuel, power, labor, or other operational necessity, interruption or curtailment of power supply, or any other circumstance of a similar or different nature beyond the reasonable control of the party affected thereby. In this connection a party shall be required to resolve labor disputes, or disputes with suppliers of raw material, supplies, equipment, fuel, or power, or seek alternate sources thereof.

6. **Tooling Maintenance, Wear, & Damage:** In the event that the materials provided by the Seller are produced using tooling provided by the Buyer, the Seller is required to maintain the tooling in a state of repair to maintain conformance to Buyer's quality requirements until its useful life is reached. In the event the tooling wears out and becomes unusable, it is the Seller's responsibility to notify the Buyer prior to the end of life of the tooling with sufficient time to affect and negotiate major repairs or replacement. If the Seller damages the tooling due to human error, or misuse, or other reason while in the possession of the Seller, it is the Seller's responsibility to repair or replace the tooling as negotiated with the Buyer, which expense shall be prorated based on the life expectancy of the tooling determined by the Buyer. Tooling shall be perpetually cleaned and kept in good operating condition and stored in a protective environment when not in use.

7. **Substitution:** No substitution of any material may be made without Buyer's prior written consent.

8. **Packaging:** Seller warrants that packaging used by Supplier should be such that the product will be completely protected against damage and weather during transportation from origin to destination as defined on Romac's Purchase Order. Supplier also warrants that when products are shipped on pallets; they will be free of 2, 4, 6 - tribromoanisole (TBA) and 2, 4, 6-tribromophenol (TBP) and if shipped internationally; will meet the standards set forth in ISPM 15. The latest revision can be found here: <http://www.ispm15.com/>.

9. **Over-Shipment:** Over-shipment of material not approved by Buyer in writing and in advance will be returned at Seller's expense, if such over-shipment exceeds 10% of the total ordered quantity per line, or the excess cost of such over-shipment is more than \$500 US, whichever is smaller; unless negotiated differently in a specific supplier contract in force.

10. **Deliveries:** Delivery schedules in the United States are to be per the "deliver by" date(s) listed in Buyer's purchase order. Romac accepts shipments 5 days earlier and 1 day later than the date(s) listed in Buyer's purchase order. If Seller does not, or appears that it will not meet such schedule, Buyer may, in addition to any other rights or remedies provided by law or this order, require that Seller ship via expedited routing to meet such schedule or to recover the time lost, and the cost difference shall be paid by Seller. For international shipments; the delivery dates are to the Port of Entry and shall be negotiated between the Seller, Buyer and Broker; but should come as close as possible to the due date listed on the Buyer's purchase order, in no event no more than five (5) days later than the date listed in Buyer's purchase order.

11. **Shipping Method:** The freight terms, carrier and class of shipping shall be according to Buyer's purchase order. Failure on the part of the Seller to comply with the shipping method may result in back charges from the Buyer for the difference between the method specified by the Buyer and the actual shipping method used by the Seller.

12. **Taxes:** Any tax or other governmental charge, or increase thereof, upon the production, sale, and/or shipment of the products sold under this contract (other than taxes based upon Seller's net income), or entering into the costs thereof, whether by Federal, State, or Municipal authority, imposed, or becoming effective, after the date of this contract, shall be added to the price herein provided, and shall be paid to Seller by Buyer.

13. **Insurance:** If services are performed under this order on Buyer's premises, Seller shall obtain Premises-Operations, Personal Injury, and Independent Protective Liability endorsements, and shall further obtain Workers' Compensation, Employer's Liability and Automotive insurance coverage as appropriately referenced in Romac's Purchase Order, Statement of Work (SOW), or in any documents referenced therein. Specific insurance requirements for the particular purchase covered by these terms and conditions; should have been detailed at the time of quote and should be a specific addendum attached to the contract (PO), and reviewed and signed by both Seller and Buyer.

14. **Risk of Loss/Indemnification:**

14.1 **Risk of Loss.** Seller shall bear the risk of loss or damage to the products covered by this order until they are delivered to and accepted by the Buyer.

14.2 **Indemnification.** Seller will indemnify, defend and hold Buyer harmless from and against any and all claims, damages, losses, or liabilities to third parties, including Buyer's reasonable attorneys' fees and costs of legal proceedings, resulting from Buyer's use of Seller's products or services, Seller's tortious or unlawful conduct, or Seller's breach of any representation, warranty or covenant in this Agreement.

14.2 **Intellectual Property Indemnification.** Seller will further indemnify, defend and hold Buyer harmless from and against any and all claims, damages, losses, or liabilities to third parties, including Buyer's reasonable attorneys' fees and costs of legal proceedings, resulting from any infringements or claimed infringements of intellectual property or similar rights, including, but not limited to, any patent, registered or unregistered trademark, copyright, trade secret or registered design; provided, however, that Seller shall not be liable for any such infringement or claimed infringement due solely to the manufacture or fabrication of products in strict compliance with designs, plans or specifications supplied entirely by Buyer.

15. **Proprietary Information:** Seller understands that during work on this order, he may gain access to information that is designated as proprietary to the Buyer or to other parties or, is provided to Seller under the circumstances that would be reasonably concluded to be confidential, whether provided in written or electronic form, or communicated orally, or learned as a result of this Agreement, and Seller agrees to use any such proprietary information only in the performance of obligations under this contract. Seller will not publish or disclose any such proprietary information without prior written approval of the Buyer.

16. **Assignment; Subcontracting:** Seller shall not assign this order or subcontract all or any material portion of the performance of it without Buyer's prior written consent. Any attempted assignment or subcontract shall be void. The prohibition in this Section 16 includes, without limitation, Change in Control Events, and a Change in Control Event shall be deemed to be an Assignment requiring Buyer's prior written consent. A Change in Control Event means the occurrence of:

1) (a) any consolidation or merger of Seller with or into any Person; (b) any reorganization of Seller; (c) any sale, transfer, disposition of Equity Securities of Seller or any other transaction, whether in a single transaction or a series of related transactions and whether or not the Seller is a party thereto, in which all of the holders of equity securities of Seller, immediately prior to such consolidation, merger, reorganization, sale, transfer, disposition or other transaction, own, directly or indirectly, immediately after such consolidation, merger, reorganization, sale, transfer, disposition or other transaction, equity securities (i) representing less than 50% of the equity securities (measured by economic value or voting power) of Seller or (ii) that do not directly or indirectly have the power to elect the majority of the entire board of directors or other similar governing body of Seller; or

2) a sale, conveyance, transfer, distribution, lease, assignment, license or other disposition of all or substantially all of the assets of the Seller.

17. **Waiver:** Either party hereto may waive any requirement, condition or obligation to be performed by the other party, provided any such waiver is in writing and executed by the party waiving the requirement, condition or obligation and shall be specifically designated as a waiver hereunder with reference to the applicable section.

18. **Disputes:** In the event of a dispute regarding this Contract or its performance, the parties must attempt in good faith to resolve the dispute by arbitration to take place in the Western District of the State of Washington, according to the then current rules or recommendation of the Center for Public Resources (CPR) <http://www.cpradr.org/About.aspx>, with respect to the arbitration of commercial disputes, or such other similar procedures as agreed to by the parties.

19. **Notice:** All notices required or permitted hereunder shall be in writing and sent by Registered or Certified Mail, Return Receipt Requested, and addressed to Seller or Buyer at the addresses set in Buyer's purchase order heading, or to such other Address as either party may hereafter specify by written notice to the other. Email communication is allowed as long as it is followed up in writing as defined above.

20. **Termination and Remedies:** Buyer may terminate this order, or any part thereof, by written notice to Seller. If Seller defaults for any reason including, but not limited to the following circumstances:

(a) If Seller fails to perform within the time specified or extension agreed to in writing by Buyer

(b) If Seller fails to comply with other provisions of this order and does not remedy such failure within ten (10) days of notice from the Buyer or such longer period as Buyer may in writing authorize.

(c) If Seller becomes insolvent or is subject to proceedings under any law relating to bankruptcy, insolvency, relief of debtors, or through international trade compliance; via export or import. In the event of default or breach by Seller or rightful rejection of acceptance of the products by Buyer, Buyer may cancel the order and recover so much of the price as has been paid together with any incidental and consequential damages. In addition to any other remedy, provided by law or this contract, Buyer may 'cover' by making, in good faith and without unreasonable delay, and reasonable purchase of or contract to purchase products in substitution for those due from the Seller and shall recover from Seller as damages the difference between the cost of 'cover' and the contract price together with any incidental or consequential damages.

21. **Entire Agreement:** Except as may be specifically provided in this Agreement, in the event of any inconsistencies, conflicts, or discrepancies between or among the Agreement documents, this Agreement shall be interpreted on the basis of the following order of priority of the documents: 1. this contract, 2. purchase order, and 3. the Romac Master Supplier Agreement, and any other documents referenced therein. These documents constitute the entire agreement of sale and purchase of the products specified in these documents between the parties hereto, superseding any prior warranties, understandings, or agreements. No modifications of this contract shall be of any force or effect unless reduced to writing and signed by the party claimed to be bound thereby; and no modification of this contract shall be affected by any purchase order forms or acknowledgment forms or other implementing documents containing additional, different or inconsistent terms or conditions.

22. **Miscellaneous:** (a) The failure of Seller in any one or more instances to insist on performance of any of the provisions hereof, or any part thereof, shall not be construed to be a waiver of such provision, or any part thereof in the future; (b) All claims for monies due or to become due from Seller shall be subject to deduction by Buyer for setoff or counterclaim arising out of this or any other of Buyer's contracts or agreements with Seller; (c) This contract is made under Washington State law and this contract shall be governed by and construed in accordance with the Uniform Commercial Code as adopted in Washington State, except as the provisions of such Code are herein varied. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this contract.

23. **Compliance with Laws:** Seller warrants to Buyer that all goods supplied hereunder will have been produced in compliance with all applicable foreign, federal, state and local laws, orders, rules and regulations. Seller shall furnish Buyer, no later than the date the goods are delivered, with a Safety Data Sheet for any goods which are covered by the Occupational Safety and Health Act Hazard Communications Standard as contained in 29 C.F.R. § 1910.1200. Seller also warrants to Buyer that Seller is an affirmative action/equal opportunity employer, and Seller hereby certifies that it is in compliance with all applicable foreign, federal, state and local employment laws, orders, rules and regulations. Further, the Seller agrees to comply, as appropriate, with the Small Business Act and the Small Business Regulatory Enforcement Fairness Act of 1996 and the regulations there under, as each

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PURCHASE CONTRACT TERMS AND CONDITIONS**

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may be amended and in effect. Seller shall indemnify Buyer from any damages, liabilities, claims, losses, penalties and expenses (including attorneys' fees) paid or incurred by Buyer as a result of any breach by Seller of these warranties. Seller shall be required to obtain and pay for any license, permit, inspection or listing by any public body or certification organization required in connection with the manufacture, performance, completion or delivery of any good and/or service.

24. **Venue:** The parties hereby agree that all actions or proceedings arising directly or indirectly, from this contract, which are not resolved by CPR (see Paragraph 18) shall be litigated in courts having a situs within the Western District of the state of Washington, and the parties hereby consent to the jurisdiction of any local, state or federal courts that is located within the Western District of the state Washington.

This contract and any purchase order, document or instrument delivered or to be delivered hereunder are being executed and delivered in and are intended to be performed under the laws of the State of Washington without regard to its conflicts of laws provisions. If any provision hereof is or becomes invalid or unenforceable under any law of mandatory application, it is the intent of the parties hereto that such provision will be deemed severed and omitted herefrom, the remaining portions hereof to remain in full force and effect as written.

**WHEREFORE**, the parties hereto have caused their respective duly authorized representatives execute this contract, effective as of the date and year first above written.

Romac Industries, Inc.

[NAME OF VENDOR/SUPPLIER]

**("Buyer")**

**("Seller")**

By \_\_\_\_\_  
(Signature)

By \_\_\_\_\_  
(Signature)

Its \_\_\_\_\_  
(Title)

Its \_\_\_\_\_  
(Title)

Date \_\_\_\_\_

Date \_\_\_\_\_