

WARN INDUSTRIES, INC.
PURCHASE ORDER

STANDARD TERMS AND CONDITIONS

(Incorporated into each Purchase Order issued by Warn Industries, Inc.)

SHIPPING INSTRUCTIONS

1. Shipment and delivery shall be strictly in accordance with the schedule, quantities, and other requirements set forth in the Order (as defined below). Delays in shipment, including the reasons therefore, shall be reported immediately by Seller to Buyer. Time is of the essence with respect to the delivery dates specified by Buyer.
2. A packing list must accompany each shipment and each box in the shipment must be labeled, so as to provide information in accordance with Buyer's current packing identification standards, including but not limited to: description of the material, quantity, purchase order number, purchase order line number, Buyer part number and revision level, and Seller manufacturing date or controlling lot number. In the case of international shipments, label also must disclose 'Country of Manufacture'. Buyer's count shall be accepted as final on all shipments not accompanied by a packing list.
3. No charge to Buyer will be made for packing, marking, or shipping unless agreed upon in writing by Buyer at the time of purchase.
4. Damage to any material not packaged to ensure proper protection will be charged to Seller or, at Buyer's option, the material will be returned at Seller's expense for replacement.
5. Delivery of the Goods to Buyer shall take place at Buyer's plant site or such other shipping destination, specified on the face of the Order. Notwithstanding any shipping arrangement specified in the Order, Seller shall have the risk of loss for all Goods shipped under the Order until receipt of such Goods by Buyer at the specified location, at which time title to and the risk of loss with respect to such Goods shall pass to Buyer.
6. No partial shipments are allowed without Buyer's prior written approval.
7. Shipments must be made only per Buyer's written release, and Buyer reserves the right to return, at Seller's expense and risk, materials not released or material overshipped.
8. All tools, equipment or material of every description furnished to Seller by Buyer or specifically paid for by Buyer shall be and remain the personal property of Buyer. Such property shall be plainly marked by Seller as property of Buyer. Such property, while in Seller's custody or control, shall be held at Seller's risk, shall be kept insured by Seller at Seller's expense, in an amount equal to the replacement cost with loss payable to Buyer, and shall be subject to removal at Buyer's written request, in which event Seller shall promptly prepare for shipment (including, without limitation, indicating such returned property on the delivery ticket or packing slip) and shall redeliver such property to Buyer in the same condition as originally received by Seller, except reasonable wear and tear.

CONDITIONS OF ORDER

1. **DEFINITION OF "ORDER"**: As used herein, the term "Order" means each purchase order issued by Warn Industries, Inc., including the provisions on the face and reverse sides thereof and in these Standard Terms and Conditions which are incorporated into each such purchase order, and all warranties provided by Seller and all technical requirements and specifications, drawings, designs and other provisions attached to, incorporated into or otherwise made a part of such purchase order.
2. **ACCEPTANCE; ENTIRE AGREEMENT**: The Order is Buyer's offer to buy and is not binding until accepted by Seller. By acceptance of the Order, Seller agrees to all of the terms and conditions on the face of the purchase order and in these Standard Terms and Conditions. Seller shall be deemed to have accepted the Order upon the first of the following to occur: (a) Seller signs the acknowledgment copy of the Order and returns the signed copy to Buyer; (b) Seller notifies Buyer that Seller intends to commence performance of the Order; or (c) Seller commences performance of the Order. The offer to purchase shall expire unless accepted by Seller within 30 days of issue. Buyer may cancel the Order without any liability or cost to Buyer at any time prior to acceptance. Subject to the "Changes" paragraph below, the Order contains the complete and final agreement, and supersedes any and all prior agreements, between Buyer and Seller regarding the goods subject to the Order. No other agreement in any way modifying or amending any of the said terms and conditions, including different, contradictory or additional terms and conditions, will be binding upon Buyer unless made in writing and signed by Buyer's authorized representative. Buyer shall not be bound by, and specifically objects to, any term, condition or other provision which is different from or in addition to the provisions of the Order, whether or not it would materially alter the Order.
3. **CHANGES**: Buyer may, at any time by written order, change the quantities, design (including drawings, materials, and specifications), processing, method of packing and shipping, and the time and place of delivery of the goods and services provided in the Order; Seller shall not make any such changes without Buyer's prior written approval. If any authorized change affects cost or timing, Buyer shall adjust the purchase price and delivery schedules equitably. Seller shall use commercially reasonable efforts to minimize any increase in cost or delay in delivery.

4. **CANCELLATION**: Buyer may cancel the Order, in whole or in part, at any time, by a written notice to Seller. Seller shall, upon request by Buyer, transfer title and deliver to Buyer such work in process or completed goods as may be requested by Buyer. Buyer shall have no liability to Seller beyond payment of any balance owing for goods purchased under the Order and delivered to and accepted by Buyer prior to Seller's receipt of the notice of termination, and for the reasonable cost of any work in process or completed goods so requested by and delivered to Buyer; provided, however, that if Seller is not in default, Buyer shall, in addition, pay to Seller such reasonable costs incurred by Seller pursuant to the Order, prior to such cancellation, with respect to such work in process or completed goods not so requested to be delivered by Buyer as shall be unrecoverable in the normal course of business, excluding any and all costs related to any manufacture done in advance of a normal flow time necessary to meet the purchase order schedule. Buyer shall have no duty to reimburse Seller for costs incurred by Seller for materials, work in process or completed goods that have not been ordered by Buyer.
5. **PRICE AND PAYMENT**: Payment of the specified prices shall constitute full compensation for the goods and satisfactory performance of all of Buyer's obligations under the Order. The specified prices include and Seller shall pay all applicable taxes, insurance, customs, tariffs, and other governmental charges and assessments. Seller shall issue a separate invoice for each delivery, and shall not issue any invoice prior to the actual date of delivery. Due dates for payment of invoices shall be computed from the date of receipt by Buyer. Payment is due 90 days after the date on which Buyer receives the invoice or the date on which delivery to Buyer is completed, whichever is later. Payment may be due earlier than 90 days if an early payment discount is/was negotiated between the parties. Any cash discount or net payment calculations will be made from the date Buyer receives the goods or a correct invoice therefore, whichever is later, to the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay to Buyer any amounts paid in excess of the amount due. Seller warrants that the prices that Seller charges Buyer are not higher than the prices that Seller charges other customers for similar quantities.
6. **INFRINGEMENT**: Seller agrees to indemnify and hold harmless Buyer and its affiliates, successors, assigns and customers from all claims, demands, liabilities, losses, costs, fees, expenses, damages and injuries of any kind or nature arising from any actual or claimed infringement of any patent, trademark, trade name or copyright with respect to goods furnished hereunder or arising from any actual or alleged misappropriation or wrongful use of any trade secret or confidential information involving the goods furnished hereunder, except to the extent that such infringement or misappropriation arises solely from Seller's compliance with Buyer's specifications.
7. **COMPLIANCE WITH LAW**: Seller represents that it has complied with and shall continue to comply with all applicable foreign, federal, state and local laws, regulations, rules and ordinances applicable to the sale of goods and services ordered by Buyer. Upon request, Seller shall furnish Buyer a certificate to that effect. All materials used in manufacture shall satisfy all governmental and safety requirements with respect to restricted, toxic or hazardous materials, and all environmental, electrical and electromagnetic laws of the country of manufacture and sale. If Seller is a United States entity, Seller will comply with Federal laws, rules and regulations applicable to government contracts. Seller will hold harmless and indemnify Buyer against any loss or damages, including attorneys' fees and costs, resulting from Seller's violation of any laws, regulations, rules or ordinances. Seller warrants that it has not offered or given and will not offer or give any employee, agent, or representative of Buyer any gratuity that may appear to assist Seller in obtaining any business from Buyer or influencing such person with respect to the terms, conditions, or any performance of any contract with or order from Buyer.
- a. Seller shall comply with the U.S. Foreign Corrupt Practices Act which prohibits providing a payment of money or anything of value to a foreign government official, public international organization official, foreign political party, foreign political party official or candidates for such offices, either directly or indirectly, for the purpose of influencing official acts and decisions (including failures to act and decide) in order to assist in obtaining or retaining business or directing business to any entity.
- b. Seller agrees to comply with all foreign, federal, state and local laws regarding Imports and Exports, including any laws of the United States regarding unsanctioned foreign boycotts, anti-boycott laws, and embargoed countries.
- c. Seller represents and warrants that no director, officer or employee of Seller is a government official or the employee of a governmental unit, a governmental subdivision or a government owned or government sponsored enterprise (any one, a "Governmental Entity"), and that Seller is not owned in whole or in part by any Governmental Entity. Seller will promptly disclose to Buyer should any director, officer or employee of Seller become an employee of a Governmental Entity or if Seller is acquired, in whole or in part, by any Governmental Entity. Seller understands that for purposes of this Section, a "foreign official" may include an employee or official of a commercial entity in which a government body has an ownership interest or exerts control over the activities of such entity, as well as officials and employees of public international organizations.
- d. **Conflict Minerals**: Supplier has read and acknowledged Customer's "Conflict Mineral Policy" and "Supplier Code of Conduct." Supplier shall not provide any tantalum, tin, tungsten or gold or their derivative metals or minerals (the "conflict minerals") mined from Democratic Republic of the Congo, Angola, the Republic of the Congo, Uganda, Rwanda, Burundi, Tanzania, Zambia, South Sudan and the Central African Republic (the "covered countries") where such conflict minerals directly or indirectly finance or benefit illegal armed groups. Upon request, Supplier shall provide Customer with evidence of Supplier's due diligence performed in compliance with this provision. Supplier will cooperate in reasonable requests of Customer for additional information on smelter sourcing as may be required to meet Customer's sales requirements.
- e. **Code of Conduct**: Seller shall conduct its business in a manner that will reflect favorably at all times on Buyer, including the good name, goodwill and reputation of Buyer. Further, Seller shall use its best efforts to perform its obligations under the

Order in conformance with the Warn Industries Supplier Code of Conduct, a copy of which may be found at www.warn.com. Seller is responsible for communicating the contents of this Supplier Code of Conduct to its officers, directors, employees, agents, subcontractors and sources who are involved in the procurement and production process related to products and services provided to Buyer.

8. **ASSIGNMENT**: Seller shall neither assign (by contract, operation of law or otherwise) its rights or interests under the Order, nor delegate or subcontract any of its duties, obligations or performance under the Order without the prior written consent of Buyer. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under the Order.
9. **REMEDIES; SET-OFF**: Buyer's rights and remedies provided in the Order shall be cumulative and shall be in addition to any other rights or remedies provided in law or equity. If Buyer breaches the Order, Seller's exclusive remedy shall be recovery of the goods from Buyer. If any provision of the Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable. All claims for monies due or to become due from Buyer shall be subject to deduction by Buyer for any setoff or counterclaim arising out of this or any other transaction between Buyer and Seller.
10. **WAIVER**: The failure of either party to enforce at any time any provision of the Order shall not be construed to be a waiver of such provision or the right thereafter to enforce such provision. No prior waiver or course of dealing shall affect the right of either party to require strict performance by the other with the terms of the Order.
11. **RIGHT OF ACCESS**: Buyer and its customers shall have the right to enter Seller's or subcontractor's premises to view the documentation, tooling, equipment, materials, and processes pertaining to goods to be made for Buyer, and to confirm their condition and compliance to Buyer's specifications.
12. **CONFIDENTIALITY**: Seller shall keep confidential and neither disclose to any person outside its employ, nor use for purposes other than performance of the Order, any information or property pertaining to Buyer's products or the existence, terms or performance of the Order, including but not limited to designs, drawings, specifications or any other information that is a part of the Order or is provided by Buyer. Upon Buyer's request, or in any event, upon the completion, cancellation or termination of the Order, Seller shall return to Buyer all information or property delivered to Seller or generated by Seller pursuant to the performance of the Order and, in either case, identified as confidential or proprietary. Seller shall ensure that all subcontracts, purchase orders and other agreements entered into by Seller or any of its subcontractors or suppliers of any tier shall provide to Buyer and Buyer's confidential information the same rights and protection with regard to such subcontractors or suppliers as are contained in this paragraph with regard to Seller.
13. **INSURANCE**: Seller represents that it has in place, and covenants to maintain in place for one year after completion of all obligations specified in the Order, insurance at its own cost and expense, in each case providing that Buyer and its affiliates shall be considered additional insureds thereunder, in the following amounts [unless otherwise specified in the Order]:
 - a. Commercial General Liability insurance written on an occurrence basis with minimum limits of [two million dollars (\$2,000,000)] per occurrence;
 - b. Professional Liability/Errors & Omissions insurance in the amount of [two million dollars (\$2,000,000)] for losses from wrongful acts arising from SUPPLIER's performance under the Contract Documents; and
 - c. Workers' Compensation insurance at the statutory limit for the jurisdiction in which Seller operates.The foregoing coverages shall be maintained with insurers licensed and admitted in the state(s) where Seller conducts business and that have an A.M. Best rating of A VIII or better. Unless otherwise prohibited by law, all policies maintained by Seller pursuant to the Contract Documents shall provide that Buyer will be considered an additional insured thereunder and be primary and non-contributing with any insurance carried by Buyer and its affiliates. Prior to the performance of any work under the Order, Seller shall provide certificate(s) of insurance to Buyer evidencing that the coverage required under these Terms is maintained and in force. Seller shall also provide renewal certificates to Buyer at the time of each required policy renewal until the date that is one year after Seller completes all its obligations under the Order. In addition, Seller shall provide at least 30 days' written notice to Buyer prior to cancellation, non-renewal or material change to any of the policies providing such coverage. The foregoing insurance requirements do not limit Seller's liability as set forth elsewhere in the Contract Documents.
14. **SUBCONTRACTORS**: Seller shall not contract or arrange with any third party (for example, a subcontractor or a consultant) to provide or perform all or any portion of the Products or Services without Buyer's prior written authorization. To the extent that Buyer authorizes Seller to use any third party, the third party shall agree in writing to be bound by all of Seller's obligations under the Contract Documents. Seller shall remain fully responsible for any Products provided or Services performed by a subcontractor to the same extent as if Seller had provided the Products or performed the Services.
15. **RELATIONSHIP OF PARTIES**: The relationship between Buyer and Seller is that of independent contractors only, and nothing in the Contract Documents shall be construed to create a partnership, joint venture, employer-employee or agency relationship or any other relationship between Buyer and Seller other than that of independent contractors.

16. **SEVERABILITY**: If one or more of the provisions contained in the Contract Documents shall for any reason be held invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other provision of the Contract Documents, which shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein.
17. **NOTICES**: All notices, consents, waivers and other communications required or permitted by the Contract Documents shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested.
18. **ENTIRE AGREEMENT**: The Contract Documents constitute the sole and exclusive agreement between Buyer and Seller with respect to their subject matter, and supersede all prior understandings, representations, negotiations and correspondence between the parties, constitute the entire agreement between them with respect to the matters described, and shall not be modified or affected by any course of dealing, course of performance or usage of trade. The Contract Documents may be changed only by an agreement in writing executed by the parties hereto. No terms or conditions contained in any document which has been or may in the future be supplied by Seller which are in addition to, different from, inconsistent with or attempt to vary any of the terms or conditions of the Contract Documents shall supersede any of the terms or conditions of the Contract Documents. Buyer's acceptance of the Products shall not be construed as an acceptance of any terms or conditions contained in any such document. No waiver by Buyer of any rights or breach of any provision of the Contract Documents will constitute a waiver of Buyer's other rights under the Contract Documents, nor will it be deemed to be a general waiver of such provision by Buyer or to sanction any subsequent breach by Seller.
19. **GOVERNING LAW**: The Order shall be governed by Oregon law. Venue in any lawsuit arising out of any Order shall lie exclusively in State and Federal courts in the State of Oregon of the United States of America. Seller consents to the jurisdiction of the courts of the State of Oregon. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to the transactions contemplated by the Order.

QUALITY ASSURANCE, INSPECTION AND REJECTION

1. **INSPECTION**: The acceptance of goods supplied by Seller pursuant to the Order is subject to inspection and acceptance by Buyer after delivery. Defective goods or goods not in accordance with Buyer's specifications may be held for Seller's instruction and at Seller's risk and expense, and, if Seller so directs, will be returned at Seller's risk and expense. No goods returned as defective shall be replaced by Seller unless specified by Buyer. Payment for goods prior to inspection shall not constitute an acceptance of such goods, nor will acceptance remove Seller's responsibility for any defects or noncompliance with the Order. No acceptance of any goods shall be construed to result from any inspections or tests or from any delay or any failure to inspect or test.
2. **REJECTION**: Buyer may reject, refuse acceptance of or revoke acceptance of any goods or any tender thereof which does not strictly comply with the requirements of the Order. If Seller fails, refuses or indicates its inability or unwillingness to correct the noncompliance, Buyer may, in addition to any and all other available rights and remedies: (a) retain any or all of such goods for repair, replacement or other correction by Buyer or others; (b) retain any or all of such goods without correction; or (c) return any or all of such goods with or without direction for correction by Seller. Buyer may recover from Seller, by price reduction, credit, offset, reimbursement or otherwise, in addition to any and all other available rights and remedies, any damages, costs and expenses incurred by Buyer due to the noncompliance.
3. **RECALLS**: If Seller recalls any goods sold to Buyer, or if Buyer recalls products due to a problem with the quality of goods from Seller, Seller shall reimburse Buyer for the costs and expenses incurred by Buyer in obtaining such goods and returning such goods to Seller, including the costs and expenses incurred by Buyer in retrieving goods from Buyer's customers, dealers, distributors, retailers, and end users.
4. **WARRANTY**: Seller warrants (a) that all goods purchased are free from defects in design, material and workmanship; (b) that Seller has good title to the goods and has conveyed such good title to Buyer pursuant to the terms of the Order; (c) that the goods purchased conform to the applicable specifications, designs, drawings, samples or other descriptions furnished by Seller or specified by Buyer and to all other requirements of the Order; (d) that all goods furnished delivered hereunder will be merchantable and will be fit and sufficient for the purposes for which intended; and (e) all materials, supplies, parts, components and equipment incorporated in the goods shall be new and suitable for their intended purposes. These warranties shall survive any inspection, delivery, acceptance, payment, expiration or earlier termination of the Order and such warranties shall run to Buyer and its successors, assigns and customers. Seller warrants that the articles supplied against Buyer's orders shall comply with all requirements set forth in the current edition of the *Warn Industries Supplier Quality Manual*, which is (1) included on Warn Industries' Partners Web site at www.partners.warn.com and (2) incorporated in its entirety by this reference into these Standard Terms and Conditions.