



General Terms and Conditions of Purchase • October 2020

I. Scope of Application

- A. Maxitrol Company and its Divisions (hereinafter called "Maxitrol") shall purchase from Supplier (hereinafter called "Supplier") components, materials, tooling, equipment, accessories, spare parts and services (hereinafter called "Products") exclusively subject to the General Terms and Conditions of Purchase (hereinafter called "General Conditions") as contained herein unless otherwise expressly agreed upon in writing. This shall apply even if no express reference is made to these General Conditions. These General Conditions shall also apply to any future business relation.
- B. Deviation from Maxitrol's General Conditions for purchase of Products from Supplier shall not be permitted under any circumstances. Maxitrol must agree to all deviations from Maxitrol's General Conditions in writing and signed by Maxitrol. Maxitrol, however, reserves the right at any time to make changes in one or more of the following:
1. The work to be performed or materials furnished
 2. Methods of shipping or packing
 3. Place of delivery
 4. Time of delivery
- C. If any such change causes a decrease in the cost of or the time required for performance of this contract, an equitable adjustment shall be made in the contract price or delivery schedule or both.
- D. Any objections or inquiries to these General Conditions must be made in writing within ten (10) days from the Purchase Order (hereinafter called "Order") date and mailed or electronically mailed to the address contained on this statement. Failure to do so will result in Supplier's acceptance of these General Conditions.

II. Acceptance

- A. Supplier will be bound by the Order and these General Conditions when it executes and returns to Maxitrol the signed Purchase Order Acknowledgement (hereinafter called "Acknowledgement") or when it delivers to Maxitrol any of the items ordered, or renders any of the services ordered. Maxitrol will be bound by the Order only when Supplier executes and returns to Maxitrol the Acknowledgement. Execution of items or services ordered must be in conformity with these General Conditions and all specifications of Maxitrol.

III. Price, FOB and Terms of Payment

- A. The agreed prices are fixed.
- B. Products are FOB place of delivery named by Maxitrol and shall include packing, insurance, customs and other duties if applicable.
- C. Payments by Maxitrol shall be made either within two (2) weeks less a discount of three percent (3%) or thirty (30) days upon receipt of invoice or upon delivery, whichever is later. Payments by Maxitrol shall be made by check or money transfer. Maxitrol may reduce payment on a pro rata basis if Products are defective or do not meet the specifications on the Order. The Supplier shall show sales tax in its offers and in its invoices separately, if applicable.

IV. Packaging and Shipping

- A. Supplier should include on all shipping/delivery documents; Order number, Order date, description of goods delivered, number of packages and the weight of each package. Supplier shall pack and transport the goods in a manner so that damages will not occur. Supplier shall bear responsibility for and indemnify Maxitrol from any costs, damages and other expenses which occur due to the fact that Supplier did not comply with statutory or agreed instructions of shipping, packing, or marking. The title to the delivered goods shall pass to Maxitrol with delivery at the address named by Maxitrol. Supplier may only assign future payment claims of Maxitrol resulting from the resale of the goods with prior written consent of Maxitrol.

V. Delivery

- A. Terms of delivery specified in the Order are binding. The goods shall be delivered per the terms of delivery at the address that is named by Maxitrol. Supplier shall strictly meet the terms of delivery and use faster means of delivery if necessary. Supplier shall immediately inform Maxitrol when they become aware of circumstances that jeopardize compliance with the terms of delivery. Maxitrol reserves the right to cancel this Order if deliveries are not made in the time specified herein. The delivery shall be carried out in the manner stated on the Order unless Supplier opts for a faster manner of delivery in order to meet delivery terms. Supplier shall, at its cost and expense, insure the timely and proper delivery of the goods. In the event that Supplier fails to observe binding delivery dates, Maxitrol may claim liquidated damages due to non-performance in the amount of twenty-five percent (25%) of the total Order. Further claims are not affected by this provision reserves all rights to obtain or pursue any and all damages available under the applicable law.

VI. Inspection and Quality

- A. Delivered Products purchased hereunder are subject to inspection and approval at the place of delivery named by Maxitrol. Maxitrol agrees to notify Supplier of defects within thirty (30) days after discovery of the defect. Maxitrol reserves the right to reject and refuse acceptance of Product that is not in accordance with the instructions, specifications and drawings. Maxitrol may charge Supplier for the cost of inspecting goods rejected. Items not accepted will be returned to Supplier at Supplier's expense. Notwithstanding other claims, Maxitrol shall - in the event that more than one percent (1%) of the delivered goods are defective - Maxitrol has the option to either reject in total the delivered goods or sort out the defective goods at Supplier's cost and expense. Maxitrol shall return rejected goods to Supplier at Supplier's cost, expense and risk and Maxitrol is entitled to ask for immediate and complete substitute delivery. Maxitrol reserves the right to charge Supplier the costs for inspection of the goods delivered by way of substitute delivery. In the event that Supplier does not carry out the aforementioned substitute delivery, Maxitrol may cover and purchase the Products from other companies at Supplier's cost, expense and risk. The warranty obligations of Supplier are not modified or affected by this paragraph. Supplier shall regularly review the quality of the Products to be delivered. Maxitrol requires Certificate of Compliance from the source/Supplier. Maxitrol and Supplier shall inform each other about possibilities to improve quality of the Products ordered.

VII. Warranty

- A. Supplier shall warrant that all delivered Products are free from defects in material and workmanship and fit for the purposes for which intended, and do not lack any warranted qualities. Supplier warrants that the delivered Products comply with:
1. All instructions, specifications and drawings agreed upon in writing by both parties contained in the order
 2. The packing regulations of the applicable law
 3. The generally accepted principles of the state of the art, safety standards and technical data agreed upon by both parties.
- B. The warranty period shall be thirty-six (36) months unless otherwise agreed upon in writing by the Parties or unless the law provides for a longer warranty period. This period shall commence upon delivery of the Products at the address that is named in the Order. The statute of limitations shall be suspended if Maxitrol gives notice in writing to Supplier about any defect. Supplier shall indemnify Maxitrol from any claims of any kind, including but not limited to, product liability claims and contractual damage claims of third parties resulting from Supplier's Products.

VIII. Industrial Property Rights of Third Parties

- A. Supplier warrants that the delivered Products and the processing of these Products by Maxitrol do not infringe any industrial property rights of third parties. Maxitrol shall inform Supplier of third party claims of infringement of its industrial property rights. Supplier shall immediately defend, at its cost, all claims made by third parties against Maxitrol for infringement. Supplier shall hold Maxitrol harmless from any liabilities or costs and shall indemnify Maxitrol from any losses or loss of profit due to the infringement of industrial property rights of third parties by Supplier. In the event of a claim of infringement of industrial property rights by a third party, Supplier may either change or replace the goods, at no additional cost to Maxitrol, so that they no longer interfere with the industrial property rights of any third party, but said goods must conform to Maxitrol's written specifications.

IX. Patents, Trademarks and Copyrights

- A. All patents, trademarks, copyrights and other industrial property rights existing with respect to the Products and all information and documents pertaining to development, production and sale of the Products shall remain the exclusive property of Maxitrol. Supplier declares and warrants that it shall not use any information received from Maxitrol with respect to the Products in order to develop or manufacture goods, which compete with Maxitrol Products. Supplier shall hold Maxitrol free and harmless from all costs and shall indemnify Maxitrol for all losses or loss of profit due to infringement by Supplier for patents or other protective rights of Maxitrol.

X. Tooling and Equipment

- A. If Maxitrol furnishes or purchases from Supplier tooling or equipment (such as special dies, molds, jigs, tools, test equipment, etc.) title for tooling and equipment title remains with Maxitrol. All right, title, and interest in and to any part of tooling to be paid for by Maxitrol shall pass to Maxitrol as soon as it is acquired or fabricated in accordance with an order. Supplier must label tooling or equipment is owned by Maxitrol. Supplier will label, identify, maintain and preserve such tooling and equipment in accordance with the specifications and drawings. Supplier is required to adhere to the specifications and drawings. Any deviations to the specifications and drawings must be approved in writing by Maxitrol prior to production of products. Supplier will dispose of tooling and equipment (including scrap) only with specific written instructions from an authorized Maxitrol representative.
- B. Unless otherwise authorized in writing by Maxitrol, Supplier shall only use such tooling or equipment exclusively in the performance of Orders for Maxitrol.
- C. Any tooling or equipment owned by Maxitrol may be removed at any time upon demand.
- D. To the extent permitted by law, Supplier waives its right to object to the repossession of the Maxitrol owned tooling by Maxitrol in the event Supplier is involved in bankruptcy proceedings.
- E. Supplier shall be responsible for any loss, damage, or destruction to such tooling or equipment, but Supplier shall not include any insurance cost in the prices charged.
- F. Supplier shall not sell, lend, rent, encumber, pledge, lease, transfer or dispose of Maxitrol's tooling and equipment without Maxitrol's prior written consent.

XI. Confidentiality

- A. The parties are obligated to keep patents, trademarks, copyrights, and any commercial and technical information in the course of their business relationship that is not common knowledge confidential. Supplier shall use confidential information of Maxitrol with third parties only with prior written consent of Maxitrol. Supplier also agrees to defend and otherwise shall indemnify and hold harmless Maxitrol from and against all claims, liabilities, losses, damages, or expenses, for any claim of alleged infringement of letters, trademarks, patents or any other litigation relative to any Products provided by Supplier.

XII. Termination

- A. Maxitrol reserves the right to terminate this Order or any part thereof, and to cancel all or part of the undelivered portion of this Order if:
1. Supplier does not make deliveries as provided,
 2. Supplier breaches any of the General Conditions herein, or
 3. Any proceeding is commenced by or against the Supplier in bankruptcy of insolvency or for appointment of a receiver or trustee or an assignment is made for the benefit of creditors.
- B. Maxitrol shall have no obligation to Supplier in respect to the cancelled portion of this Order and Maxitrol's liability shall be limited to payment for the delivered and accepted portion of this Order, at the rate specified on the Order.
- C. If, as a result of breach or default in performance by Supplier, this contract is terminated in whole or in part and it is necessary for Maxitrol to procure Products elsewhere, i.e. cover, Supplier shall be liable for any charges which exceed the amount which would have been due if Supplier had satisfactorily completed this Order.
- D. Maxitrol may at any time terminate work under this Order, in whole or in part, by written notice or verbal notice confirmed in writing to Supplier. Supplier thereupon immediately shall stop work on this Order or the terminated portion thereof, and notify its subcontractors to do likewise. If Order is terminated for convenience by Maxitrol, any claim of Supplier shall be limited to the reasonable costs it has incurred in the performance of this Order. Termination claims shall be subject to inspection, audit and approval by Maxitrol. If, however, termination is caused by Supplier's breach of any condition herein, including but not limited to breach of warranty, Supplier shall not be entitled to any costs, and Maxitrol reserves all rights and remedies provided by law and equity.
- E. Maxitrol reserves the right to suspend or cancel shipments of Product covered by this Order or terminate this Order in its entirety, without liability in the event of strikes, floods, fire catastrophes, Acts of God, or other contingencies beyond the control of Maxitrol, whether foreseen or unforeseen.

XIII. Work Performed on Maxitrol's Premises

- A. If this Order covers labor, contract or construction work or work of any nature upon Maxitrol's premises or one of its customers, Supplier agrees and covenants, in consideration of the placing of this Order, that Supplier has no authority to hire any persons on Maxitrol's behalf and that each person employed or used by Supplier shall be Supplier's and not Maxitrol's employee, servant or agent and further that Supplier is performing all of said work as an independent contractor.
- B. Supplier further agrees to comply with all requirements of Federal and State laws and regulations, including by way of example only and without limiting the generality of the foregoing, compliance with all Federal and State laws and regulations relating to labor, workmen compensation, wages and hours, unemployment compensation or insurance, OSHA, old age benefits, and any and all other Social Security laws, to comply with all requirements concerning the payment of payroll taxes and concerning the qualification of foreign corporation to do business and engage in the work involved under this Order.
- C. Supplier further agrees and does hereby indemnify and hold Maxitrol harmless from any and all judgments, costs, expenses, including attorney fees, and claims on account of damaged property or personal injury, (including death) which may be sustained by Supplier, its employees or Maxitrol's employees, or third persons or employees of third persons, or members of the general public, arising out of or in any way connected with the work done under this Order.
- D. Upon Maxitrol's request, Supplier shall provide adequate insurance indemnifying Supplier against all claims.

XIV. General

- A. Supplier may assign claims resulting from the contractual relationship with Maxitrol to third parties only upon prior written consent of Maxitrol.
- B. The place of performance is the address named by Maxitrol.
- C. In the event that one or more provisions of these General Conditions are invalid, the validity of the remaining provisions shall, in case of doubt, not be affected.
- D. All headlines contained in these General Conditions are for reference purposes only and are not part of these General Conditions.
- E. In the event that government agencies ask Maxitrol for documents regarding the safety of goods, Supplier shall support Maxitrol and give Maxitrol the right to inspect the respective documentation of Supplier.
- F. This Order is expressly conditioned upon the full and complete protection afforded by the Uniform Commercial Code in relations to warranties, remedies, and all other rights of Maxitrol under the code without limitation. Maxitrol hereby objects to any attempted limitation on such code protection.
- G. These General Conditions shall be governed by, construed, and enforced under the laws of the State of Michigan without regard to rules pertaining to conflicts of law. The federal, state, and local courts located in Oakland County, Michigan shall have exclusive jurisdiction over the parties and the claims arising under or related to these General Conditions, and Contractor agrees and consents to be subject to the jurisdiction of these Courts. The United Nations Convention on Contracts for the International Sale of Goods will not apply to these General Conditions.