

**Mueller Die Cut Solutions, Inc.**  
**Terms and Conditions**  
**(Supplier Document Only)**

Unless the Purchase Order (Order) expressly provides otherwise, it is limited to these terms and conditions. Buyer hereby objects to any additional or different terms proposed by Seller in any quotation, acknowledgement or other document. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties.

1. **ACCEPTANCE AND MODIFICATIONS.** This Order, whether or not issued with reference to a quotation or proposal of Seller, shall constitute an offer. Acceptance by Seller is expressly limited to the terms and conditions hereof and may be evidenced by returning the Acknowledgement form hereof or by commencement of performance. No changes or modifications in this Order shall be valid unless confirmed in writing by Buyer.
2. **PACKING AND CARTAGE.** No charge for packing or cartage will be allowed except as stated herein.
3. **SHIPMENT.** If the goods are not shipped in accordance with Buyer's direction and the instructions set out in this Order, Seller shall pay to Buyer any excess cost occasioned it thereby.
4. **DUTY DRAWBACK RIGHTS.** This Order includes all related customs duty and import drawback rights (including rights developed by substitution and rights which may be acquired from Seller's suppliers) if any, which Seller can transfer to Buyer. Seller agrees to inform Buyer of the existence of any such rights and upon request to supply such documents as may be required to obtain such drawback.
5. **PAYMENT.** Unless otherwise stated on the face of this Order, net invoices for material will be paid 45 days from the receipt of the invoice or the date of Buyer's acceptance of the material, whichever is later. Discounts offered by the Seller to the Buyer shall be allowed if payment is made on or before the next scheduled payment date following the qualifying payment due date.
6. **INTELLECTUAL PROPERTY.** Seller shall protect, defend, hold harmless and indemnify Buyer and its officers, directors, employees, agents, successors and customers, from and against any and all claims, suits, allegations, judgments, actions, liabilities, losses, damages, costs and expenses (the "LOSS"), for injury, loss or damage of any kind claimed by a third party, and caused by or arising from, or alleged to have been caused by or arise from, infringement of any patent or copyright, or wrongful use of third-party trade secret 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 Buyer constitutes the sole basis of such infringement or wrongful use. Buyer shall promptly Notify Seller in writing of the LOSS and give Seller control of the defense of same, insofar as Buyer has the authority to do so. Buyer shall cooperate in, but not be responsible for paying for, the investigation and defense thereof. Seller shall reimburse Buyer for any reasonable expenses that Buyer incurs in connection with the investigation and defense of the LOSS. Buyer and the party against whom suit is brought may be represented by their own counsel in any such suit. Buyer shall defend, at its expense, any suit brought against Seller for the infringement or alleged infringement of any patent or copyright for or on account of the manufacture or sale of any good furnished hereunder, and shall pay all damages and cost awarded therein against Seller, in any case where compliance by Seller with specifications prescribed by and originating with Buyer constitutes the sole basis of the infringement or alleged infringement, if notified in writing and given authority, information and assistance, at Buyer's expense, for the defense of same. Seller having insurance as required in this Agreement shall in no way be interpreted as relieving Seller of any responsibility under this Section. This Section shall survive termination, cancellation or expiration of this Agreement.
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, and all transportation charges, both to and from the original destination shall be paid by Seller.
8. **FABRICATION AND MATERIAL COMMITMENTS.** Unless otherwise authorized in writing by Buyer, Seller shall not make commitments for materials nor fabricate in advance of time necessary to permit shipment on delivery dates.

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9. **TERMINATION.** Buyer may terminate this Order for its convenience, in whole or in part, by written or telegraphic 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 making other goods it manufactures. Materials for which Seller is reimbursed shall become the property of Buyer.

10. **DELAYS.** If Seller shall fail or refuse to proceed with this Order, or if Seller shall fail to make delivery or deliver by the promised date, or Buyer to accept delivery, according to the delivery schedule, the other party may cancel the then remaining balance of this Order unless delay is an excusable delay as herein after defined. An excusable delay shall not constitute a default hereunder. The term "excusable delay" as used in this paragraph means any delay in making or accepting deliveries which results without fault or negligence on the part of the party involved and which is due to causes beyond its control including, without being limited to, acts of God or of the public enemy, any preference, priority or allocation order issued by the Government or any other act of Government, acts of the other party hereto, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, and delays of a supplier due to such causes. Each party shall promptly notify the other of any such delay and the cause thereof.

11. **QUALITY, WARRANTY AND PRODUCT SAFETY.** Seller expressly warrants that all the articles, material and work covered by this Order will conform to the specifications, drawings, samples or other description furnished or expressly adopted by the Buyer, 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 Buyer specified, be comparable in quality to similar custom goods sold for similar applications, and if the articles are not ordered to Buyer's specifications, Seller further warrants that they will be merchantable and fit and sufficient for the purpose intended. Seller also warrants that its processes shall comply with the specifications or other description furnished or expressly adopted by the Buyer, and that goods will comply with all then-current applicable legislation in place for the manufacture and sale of the item, industry safety standards, including labeling requirements and adequate warnings as required. Seller warrants that their supplier(s) conform to these same requirements. Seller will ensure that persons doing work under Seller's control are aware of their contribution to product safety which is defined as the state in which a product is able to perform to its design or intended purpose without causing unacceptable risk of harm to persons or damage to property.

12. **ENVIRONMENTAL COMPLIANCE.** Seller shall ensure the delivered material is in compliance with all Environmental Laws, treaties, conventions, statutes and regulations and is ready for import, export, sale, or other distribution of the material in all jurisdictions worldwide, regardless of where they are sold. Environmental Laws include laws, rules and regulations at local, state, provincial, national, or international level that relate to environmental matters, including without limitation, material restrictions, material bans, labeling, availability of product environmental information, energy efficiency, end-of-life take back, and other similar requirements. Buyer specification applies to all materials, parts, components or products (whether finished or semi-finished) that have environmental compliance specifications cited on or in the Buyer's part number drawing, part or product specifications, sourcing agreements, purchase contracts, purchase orders or other purchasing documentation.

13. **INSPECTION AND ACCEPTANCE.** When 100% product acceptance inspection is not used by the Seller, the Seller will use sampling inspection as a means of product acceptance. The Sampling Plan is required to be justified on the basis of recognized statistical principles and appropriate for use. The Sampling Plan will match the criticality of the product to the process capability. Inspection and test of the articles by Buyer, Buyer's customer, statutory or regulatory authority may at Buyer's option be made at Seller's plant or the point of destination. At the Buyer's option, the Buyer may make a surveillance of the Seller's inspection, quality and reliability procedures as well as any of its obligations and warranties hereunder. Seller will ensure that all of its subcontractors are contractually bound to comply with these terms. In no event shall payment be deemed to constitute acceptance.

14. **MANUFACTURING CHANGES.** The Seller shall give the Buyer at least 30 days advance notice in writing of all specification, design, part number and other identification changes, as well as major changes in process, procedure or changes in the location of the manufacturing plant, place of performance or changes of suppliers, made by the Seller applying to goods covered by the Order and, where required, obtain Buyer approval.

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15. NOTIFICATION AND CONTAINMENT OF DISCREPANT ORDERS. The Seller shall provide prompt written notification to Buyer when nonconforming products are discovered to have shipped. Notification shall include part numbers, traceability (lot, serial, and manufacturer numbers), ship dates, quantities, Order number, and description of nonconformance. Seller warrants flow down of these same requirements to their supplier(s).

16. FIELD FAILURES. If any field problem occurs as a result of a nonconformity in the goods provided under this agreement and is sufficiently serious and widespread to threaten our marketing of the end product or our reputation, or poses a previously unforeseen safety hazard or causes any governmental agency, including without limitation the Consumer Products Safety Commission, to require a change in Buyer's end product; such that a recall or Product Improvement Program (a PIP) is a reasonable corrective action, Buyer shall be entitled to recover from Seller all costs and expenses reasonably incurred by Buyer in taking such corrective action. If the corrective action is necessary in part because of a Nonconformity in the goods provided, and in part because of an act or omission by Buyer's part, said costs and expenses shall be allocated between the parties pro rata according to their respective percentage of fault.

17. DEFECTIVE GOODS If any of the goods fails to meet the warranties contained in Paragraph 11, Seller, upon notice thereof from Buyer, shall promptly correct or replace the same at Seller's expense. If Seller shall fail so to do, Buyer 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. Buyer may and at Seller's direction shall, return such goods to Seller at Seller's risk, and Seller shall pay all transportation charges, both to and from the original destination. Seller shall refund any payment for such goods unless Seller promptly corrects or replaces the same at its expense.

18. PRODUCT LIABILITY AND INDEMNITY. Seller agrees to protect, defend, hold harmless and indemnify Buyer and our officers, directors, employees, agents, successors, and customers, from and against any and all claims, suits, allegations, judgments, actions, liabilities, losses, damages, costs and expenses (the "LOSS"), for injury, loss or damage of any kind claimed by a third party, and caused by or arising from, or alleged to have been caused by or arise from Seller's negligence, or material breach of this Agreement (including without limitation a Nonconformity in a Good provided under this agreement). Buyer shall promptly notify Seller in writing of the LOSS and give Seller control of the defense of same, insofar as Buyer has the authority to do so. Buyer shall cooperate in, but not be responsible for paying for, the investigation and defense thereof. Seller shall reimburse Buyer for any reasonable expenses that Buyer incurs in connection with the investigation and defense of the Loss. Seller having insurance as required in the Agreement shall in no way be interpreted as relieving Seller of any responsibility under this Section. This Section shall survive termination, cancellation, or expiration of this Agreement. Seller's obligation shall not extend to, or include, claims resulting from the use of any goods in combination with unsuitable goods not furnished under this Agreement, or from an unauthorized modification or alteration of the goods. Except as may be otherwise expressly agreed to in writing between Buyer and Seller, in no case shall Buyer indemnify or hold harmless Seller against any claim for personal injury, property, incidental, consequential, or special damages (or attorney's fees with respect thereto) arising out of or resulting from improper or defective design, material, or workmanship in goods purchased from Seller hereunder.

19. INSURANCE REQUIREMENTS. Seller will maintain and provide proof of insurance coverage as established by Buyer.

20. CONSIGNMENT. Machinery, equipment, tools, jigs, dies, patterns, drawings, specifications and samples furnished to Seller by Buyer on other than a charge basis shall be held by Seller as upon consignment, and upon the completion of the Order shall be returned to Buyer or otherwise satisfactorily accounted for. Seller, at its expense, shall insure all such items for the reasonable value thereof against loss or damage of any kind.

21. APPLICABLE LAWS. Seller, in the performance of this Order, shall comply with the provisions of the Fair Labor Standards Act of 1938, as amended, and all other applicable federal, state and local laws, Executive Orders, regulations, rules and ordinances that are hereby incorporated by reference as

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appropriate. Seller shall adhere to the International Traffic in Arms Regulations (ITAR) related requirements when ITAR Compliance is indicated as required on purchase order flow down. The Seller hereby certifies and commits itself to such compliance by acceptance of this Order and agrees, upon request, to furnish Buyer a certificate to such effect in such form as Buyer may from time to time require. This Agreement shall be governed by, and construed in accordance with, the laws of the state where the Buyer facility receiving the majority of goods or services under this Agreement is located, without regard to that state's rules concerning conflict of laws. It is also agreed that in any legal proceeding that involves a dispute, a judge rather than a jury will decide the dispute. The UN Convention on Contracts for the International Sale of Goods is hereby specifically excluded from this agreement.

**22. PURCHASE ORDER/CONTRACT EQUAL EMPLOYMENT OPPORTUNITY (EEO) CLAUSE.**

**During the performance of the contract/purchase order, the Seller/Contractor/Subcontractor agrees to comply with all Federal, state and local laws respecting discrimination in employment and non-segregation of facilities including, but not limited to, requirements set out at 41 CFR 60-1.4, 60-250 and 60-741.4, which equal opportunity clauses are hereby incorporated by reference. Seller/Contractor/Subcontractor shall also abide by the requirements of 41 CFR 60-741.5(a) and 41 CFR 60-300.5(a) which prohibits discrimination against qualified individuals on the basis of disability, qualified protected veterans, and requires affirmative action by covered contractors and subcontractors to employ and advance in employment qualified individuals with disabilities and qualified protected veterans. Notification is hereby given that compliance with these clauses may require the Seller to annually file certain reports (e.g. the EEO-1 Report and VETS-100 Report) with the Federal government and may require the Seller to develop written Affirmative Action Programs for Women and Minorities, covered Veterans or Persons with Disabilities. For purchases above the Simplified Acquisition Threshold, the company is required to comply with the provisions of Executive Order 13201 set forth in 29 CFR part 470.**

**23. PACKAGING, LABELING AND PRESERVATION OF PRODUCT:**

Seller shall be responsible for ensuring that items provided under this Order are packaged in such a manner that the dimensional integrity is preserved, contamination and corrosion are prevented, and no physical damage occurs or, when specified, that packaging is in accordance with the drawing, specifications, key characteristics or other applicable Buyer specified requirements. This preservation shall include, but shall not be limited to, identification, handling, packaging, storage and protection in accordance with product specifications and/or applicable regulations; provisions for prevention; detection and removal of foreign objects; special handling for sensitive products; marking and labeling including safety warnings; shelf life control and stock rotation; and special handling and labeling for hazardous materials.

**24. SUPPLIER CONTROL:** The Seller shall flow down to sub-tier suppliers applicable requirements of the drawing, specifications, key characteristics or other applicable Buyer specified requirements and this Order to the extent necessary to ensure that characteristics not verifiable upon receipt are adequately controlled by the Seller's sub-tier suppliers.

**25. SPECIAL TOOLS.** Unless otherwise stated, all special tools, dies, jigs, patterns, machinery and equipment needed by Seller for the performance of this Order shall be obtained by Seller at its expense and shall be the property of Seller.

**26. ASSIGNMENT.** Neither party shall assign or transfer this Order or any interest therein or monies payable hereunder without the written consent of the other party, and any assignment made without such consent shall be null and void, except that Buyer may assign this Order and its interest therein to any affiliated corporation or to any corporation succeeding to Buyer's business without the consent of Seller.

**27. TAXES.** Unless otherwise stated, the prices do not include sales, use, excise, and similar taxes applicable to the goods furnished hereunder or the materials used in the manufacture thereof. All such taxes and charges shall be shown separately on Seller's invoices.

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

**29. CONFIDENTIALITY.** This document and any material transmitted herewith may contain information proprietary to Buyer, its subsidiaries or affiliates and such information is not to be used by the recipient for any purpose other than the purpose for which it was transmitted. The information shall be maintained in confidence and not disclosed to third parties without the written consent of the sender. Seller will execute a Non-Disclosure Agreement as required by Buyer.

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30. **CUSTOMER'S PROPERTY.** Buyer shall have sole ownership of all right, title and interest in any items, materials or works of authorship produced by Supplier as a result of the services performed by Seller for Buyer hereunder. Seller hereby irrevocably assigns all copyrights in such items, materials or works of authorship to Buyer.
31. **QUALITY ASSURANCE STANDARD FOR DIGITAL PRODUCT DEFINITION (DPD)/MODEL BASED DEFINITION (MBD) SUPPLIERS.** When DPD/MBD data is utilized in manufacturing, inspection and sub-tier flow down of product definition, Seller shall have a quality system to control DPD/MBD data to the extent necessary to fulfill Boeing D6-51991 or other DPD/MBD requirements as flowed down in the Buyer's purchase documents.
32. **SAFETY.** Any person(s) performing work in Buyer's plant must comply with the Buyer's safety regulations.
33. **QUALITY RECORDS.** The Seller shall maintain quality records as supportive evidence that items identified in this Order conform to specified requirements. Such records shall include, but are not limited to, complete inspection records, product certification, and corrective action for nonconforming product as applicable. All quality records must be maintained for fifteen years from the date of the completion of the Order, unless otherwise specified, in a manner that will retain legibility and prevent damage, deterioration and loss of records.
34. **RIGHT TO AUDIT CLAUSE.** The Seller shall upon reasonable request and during reasonable business hours, make available for examination and reproduction by Buyer and its duly authorized agents, such books, records, and invoices of Seller as may be necessary to perform an audit of the items relevant to the terms of this agreement. Such audits may be performed while this agreement is in effect or within fifteen years after its termination unless otherwise specified.
35. **INDEPENDENT CONTRACTOR.** Seller is an independent contractor. All individuals that Seller assigns to perform services are Seller's employees. Nothing in this agreement, 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 or their subsidiaries or affiliates.
36. **ETHICAL BEHAVIOR.** Seller is responsible to maintain the highest ethical standards in the conduct of company affairs. Each seller will conduct business with integrity and comply with all applicable laws in a manner that excludes considerations of personal advantage or gain and is in compliance with Mueller's Business Ethics Policy.
37. **COUNTERFEIT PARTS.** Seller is responsible to implement and maintain a quality management system that certifies product for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to the customer. Process should ensure for training of appropriate persons in the awareness and prevention of counterfeit parts, application of a parts obsolescence monitoring program and controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources.

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