

I. Agreement

The legal relationship between the Supplier and BRADY N.V. located in Zele, Belgium hereafter the "Company" shall be governed by these Terms and Conditions, unless otherwise expressly agreed in writing by the Company. Any additional or different terms stated in any proposal, quotation, acknowledgement, invoice or other document shall be of no force and effect between the parties unless accepted in writing by Company.

II. Orders

- Supply contracts and purchase orders, as well as any changes and amendments thereto, must be made in writing. Purchase orders may be issued by facsimile or electronic communication.
- All purchase orders shall be confirmed in writing. In the event that the Supplier does not notify Company of its acceptance by confirming a purchase order within two working days of its receipt, unless Company requests earlier acceptance, Company shall have the right to revoke such order. To the extent reasonably acceptable by Supplier, Company may instruct Supplier to make changes in the design or process of goods. In such cases the consequences of such changes, especially with respect to additional costs or reduction of costs, and delivery dates, shall be resolved by mutual agreement.
- Each Order shall constitute a separate contract, which shall be made on these terms and conditions, and to the exclusion of all other terms and conditions which the Supplier purports to apply under any acknowledgement of order, quotation, specification, delivery note, invoice or similar document, whether or not such document is referred to in the Order

The invoice corresponding to the requested Purchase order must be sent within a maximum period of one year after PO's date, invoices exceeding this term won't be acceptable for payment.

III. Defective deliveries

- In the case of defective deliveries, the Company may charge to the Supplier all costs associated to the return of defective goods, their replacement, quality testing and any other related items, which will amount to minimum 200 EUR. The Company shall be entitled to withhold an appropriate amount of payment until such time as the defective goods have been repaired or replaced.

IV. Notification of Deficiencies

All shipments are subject to final inspection and testing by Supplier. Company will notify Supplier in writing regarding any deficiency or defect in a shipment as soon as such deficiency or defect has been discovered in the course of Company's ordinary business practice. The Supplier waives the right to object to delayed notification of any deficiency or defect if the Company complies with this condition.

V. Confidentiality

- All commercial and technical details which may come to the knowledge of Supplier and Company during the course of their business relationship shall be considered confidential, unless such details are public knowledge.
- Drawings, models, patterns, samples and similar objects shall not be made available or accessible to unauthorized third parties. Reproduction of such objects is permitted only according to business requirements or in compliance with applicable intellectual property laws.
- Supplier warrants and certifies that all sub-suppliers of Supplier have agreed to be bound by the confidentiality provisions hereof.

VI. Delivery dates and time limits / conditions for shipment

Agreed delivery dates and time limits are binding. Compliance with such dates or time limits shall be determined by the date of arrival of the goods to be supplied at the address indicated by the Company. The Supplier shall make the goods available for delivery to Company taking into consideration the time usually necessary for loading and shipment.

All deliveries shall be made as designated by the Company. **Incoterms 2010** shall apply to all commercial terms. Source info <http://www.iccwbo.org/incoterms>.

VII. Delay

The Supplier agrees to compensate the Company for all damages caused by delay in delivery, including but not limited to additional freight costs and retrofit costs or additional costs resulting from purchases from alternative sources. If the Supplier anticipates that he will not be able to deliver the goods at the time for delivery, he shall forthwith notify to the Company thereof in writing, stating the reason, and the time when delivery can be expected. As soon as the delay reaches 10 working days, the Company has the right to cancel the order without legal intervention. Application of this right does not impair the right of the Company to demand full compensation of the Supplier.

VIII. Force Majeure

In the event that any act of God, strike, civil commotion, war, government directive or any other cause beyond a party's reasonable control, and that was not foreseeable by the party and is not due to any of its own acts or omissions, prevents a party from performing its obligations to the other party, the affected party shall be temporarily relieved from its obligations during the period of time such event continues and to the extent its liabilities are affected. The affected party shall promptly notify the other party in the case of such an occurrence, and the party receiving notice may, upon notice to the affected party, extend the time for performance, or cancel all or part of the unperformed obligations. Raw material price increases, shortages in raw materials and increase in demand for goods by third parties shall all be considered foreseeable events and shall not excuse performance by Supplier.

IX. Quality and Documentation

- Supplier shall comply with the acknowledged standards of engineering, Company's safety regulations, the agreed technical data and Company's Supplier Manual. Changes or alterations to the goods to be delivered are subject to the prior written consent of Company. Mass deliveries may be commenced only after Company has accepted the samples for such deliveries. The contracting parties shall inform each other of any possibilities of improving the quality of the goods to be delivered.
- At a moment agreed upon between parties the Company shall be entitled to inspect the quality of the materials and parts used. The fact that no comments have been made following these inspections in no way prejudices the right of the Company to refuse the material if its not correct or if its affected by visible or hidden defects.
- For goods specially marked in the technical documentation or designated by separate agreement Supplier shall keep special records as to when, in what manner and by whom the supplied goods have been tested with regard to the characteristics required to be recorded, and of the results achieved by the quality tests so required. The test records shall be kept by Supplier for ten years following delivery of the goods to Company, and shall be presented to Company upon request. Supplier warrants and certifies that its sub-suppliers, if any, have agreed to be bound by the same obligations regarding testing and record retention.

X. Warranty

- In addition to other warranties that may be agreed upon between the parties, Supplier warrants that (i) the goods delivered will conform to the agreed specifications, (ii) Supplier has good and marketable title to the goods delivered, and (iii) the goods delivered are free from all claims of patent or other intellectual property infringement.

- If defective goods are delivered, Supplier shall first be given the opportunity to sort out as well as rework, repair or replace defective goods unless time constraints placed on Company are prohibitive of rework, repair or replacement. If Supplier is unable to rework, repair or replace defective goods within time limits set by Company, then Company shall be entitled to cancel the purchase order and return the goods at Supplier's risk and cost. In urgent cases Company may, after consultation with Supplier, accomplish the rework or repair or have it done by a third party, with any costs resulting therefrom being borne by Supplier.
- In the event that the same goods are repeatedly supplied in a defective condition, Company shall be entitled to terminate the contract.
- In the event that a latent defect is discovered only after the start of production and Company has complied with Article IV, then Company, in addition to the rights stated in the second paragraph of this Article X, shall also be entitled to claim damages for any additional costs incurred.
- At Supplier's request, the parts to be replaced shall be made available immediately to Supplier at Supplier's cost.
- Unless otherwise agreed in writing, the warranty period for all goods delivered shall be 24 months after the date of delivery to Company.
- A warranty claim will not arise if a defect is attributable to Company's failure to observe operation, service or installation instructions, Company's inappropriate or unsuitable use of the goods, Company's incorrect or careless treatment of the goods, normal wear and tear, or any changes or alterations to the goods made by Company which were not reasonably foreseeable by Supplier.
- Any further warranties as to quality shall be designated expressly and individually in writing.

XI. Liability

To the extent that these Terms and Conditions do not provide for other liability clauses, the Supplier shall be liable for damages directly or indirectly caused to the Company as a result of defective supply, violation of safety regulations or for any other reason attributable to the Supplier according to the following:

- Supplier shall defend and indemnify Company and hold Company free and harmless from any and all claims, demands, causes of action and damages of any kind (including reasonable attorney's fees) to the extent that such claims, demands causes of action or damages are caused by the negligent or intentional acts or omissions of Supplier or any of its sub-suppliers.
- Any liability of Supplier shall be excluded to the extent Company has effectively and legally excluded any liability in relation to its Customer.
- Any claims of Company shall be excluded to the extent that the damage is caused by the Company's failure to observe operating, maintenance or installation instructions; Company's unsuitable or inappropriate use of the goods; Company's incorrect or negligent treatment of the goods; natural wear and tear; or incorrect repair by Company.
- Supplier shall also be liable for compensation with regard to actions which Company undertakes to avoid any damages, including, but not limited to, recall actions.

XII. If Company intends to assert a claim against Supplier under the

- foregoing provisions, Company shall give Supplier notice of the claim and, to the extent reasonably possible, the opportunity to investigate the damage occurred. The parties shall consult each other on the steps to be taken to resolve the claim.
- The Supplier shall defend and indemnify Company and its customers and hold Company and its customers free and harmless from any claims, demands, causes of action and damages of any kind (including reasonable attorney's fees) which, by the use of goods according to the terms of the contract, result from the alleged infringement of any intellectual property rights of any thirdparty.
- The foregoing duties of Supplier to defend, indemnify and hold Company and its customers harmless shall not apply to the extent that Supplier has manufactured the goods according to drawings, models or

similar descriptions or statements provided by Company and if, at the same time, Supplier does not know or, in connection with the goods supplied, was unable to know that protected rights were infringed. To the extent that Supplier is not liable hereunder, Company shall hold Supplier free and harmless of all claims of infringement brought by third parties.

- Company and Supplier shall inform each other forthwith on all risks of violation or alleged violations of any third party protective or proprietary rights and shall give each other the opportunity to jointly oppose such claims.
- At the request of Company, Supplier shall inform Company regarding the use of any published protective or intellectual property rights relating to the goods to be delivered regardless of whether such rights are owned by Supplier or licensed to Supplier, including any rights pending.

XIII. Use of production aids and confidential information made available by the Company

Models, original drawings, patterns, samples, tools and other manufacturing aids as well as confidential information provided to Supplier by Company or paid for by Company, may not be used for supplies to third parties except upon the prior written consent of Company.

XIV. Termination/Cancellation

- Company may terminate or cancel any purchase order or any portion thereof without liability to Supplier upon furnishing Supplier with written notice not less than thirty (30) days prior to the date for delivery specified in the purchase order.
- Notwithstanding the foregoing, Company may terminate or cancel any purchase order or portion thereof immediately without prior notice to Supplier if Company becomes aware of any illegal or fraudulent conduct on the part of Supplier or when the Company can reasonably anticipate that the Supplier will not be able to perform his obligations in due time.

XV. General Provisions

- Empty packaging or containers that are not listed on packing slips become the property of Company free of charge, except for returnable packaging.
- Supplier may not assign any of its rights or delegate any of its obligations under any purchase order without the prior written consent of Company. Any attempted assignment in violation of this provision shall be null and void.
- The provisions of these Terms and Conditions are separate and divisible and the invalidity or unenforceability of any part or all of one or more provisions shall have no effect on the remaining part(s) and provisions, all of which shall remain in full force and effect.
- These Terms and Conditions and the relationship between the parties shall be governed by the domestic laws of Belgium and take into account the United Nations Convention on Contracts for the International Sale of Goods.
- Any dispute or claim arising out of these Terms and Conditions or the relationship between the parties shall be heard exclusively at the Commercial court of Dendermonde, Belgium.

XVI. According EN9100 (aerospace) and ISO/TS16949 (automotive) standards and for products identified by the Company as aerospace and/or automotive related, Supplier shall proactively notify the Company of any nonconformity and await Company's approval prior to shipment. Any changes in product and/or process, changes of supplier or manufacturing location shall be notified to the Company. The Supplier shall allow access by the Company, its customers and/or any regulatory authority to the areas of any facility involved in automotive and/or aerospace product related activities and documentation.