

**FORNEY CORPORATION PURCHASE ORDER  
TERMS AND CONDITIONS**

**GENERAL.** These terms and conditions shall constitute the entire agreement between Forney Corporation ("Buyer") and Supplier. BUYER HEREBY GIVES NOTICE THAT IT OBJECTS TO THE INCLUSION OF ANY DIFFERENT OR ADDITIONAL TERMS PROPOSED BY SUPPLIER. Supplier's written acceptance of the purchase order, the shipment of any Goods, or the performance of any Work hereunder shall constitute Supplier's acceptance of the Contract and these terms and conditions. The Parties specifically agree that any language or provisions contained on Seller's web site, product schedule, or other ordering document, or contained in any "shrink-wrap" or "click-wrap" agreement, shall be of no force and effect and shall not in any way supersede, modify, supplement, or amend these terms and conditions. No agreement or other understanding in any way purporting to modify the terms and conditions hereof shall be binding upon the Buyer unless made in writing and signed by Buyer's authorized representative. Email and all other electronic (including voice) communications from Buyer in connection with this agreement are for informational purposes only. No such communication is intended by Buyer to constitute either an electronic record or an electronic signature or to constitute any agreement by Buyer to conduct a transaction by electronic means. Any such intention or agreement is hereby expressly disclaimed. Delivery of Materials, Services or Work Product to Buyer from Seller shall be deemed to be only upon the terms and conditions contained in this Order, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller and notwithstanding Buyer's act of accepting or paying for any shipment or similar act of Buyer. This Order shall be accepted by Seller by delivery of Materials, Work Product or Services, commencement of work upon Materials, Work Product or Services, written acknowledgement of Seller, or any other conduct of Seller which recognizes the existence of an agreement pertaining to the subject matter hereof.

**DEFINITIONS.** The following terms have the meanings set forth below:

**"Buyer's Authorized Representative"** means the following Forney Corporation employee(s): Chelsea Casiano, Cesar Cosme, Luisa Hernandez, and Tom Demrick.

**PRICES.** The price includes all costs and charges, including, without limitation, materials, equipment, tools, personnel protection equipment, and safety and other training necessary to perform the Work, all charges for packing, loading and transportation, and all applicable taxes and duties. Supplier agrees that the prices contained herein are not in excess of Supplier's list, catalog, or published prices; that such prices are not higher than prices charged to other Buyers purchasing similar goods and services; and that said prices are not in excess of the prices provided by any applicable law, government decrees, order, or regulation.

**DILIGENT PERFORMANCE.** Supplier agrees to perform all Work in strict compliance with the contract. Time is of the essence with respect to the delivery date indicated on the Purchase Order, and Buyer reserves the right to terminate this Order if the specified delivery date is not met. Notwithstanding any other right or remedy available to Buyer, in the event of Supplier's failure to meet the delivery date indicated on the Purchase Order, Buyer at its discretion may charge to Supplier, and Supplier agrees to be liable for, any economic loss suffered by Buyer due to Supplier's late delivery.

**DELIVERY.** Supplier will observe specified shipping instructions as noted on the Order. All packaging instructions must be observed. Unless otherwise specified, title to the goods will vest in Buyer upon acceptance of the goods by Buyer or upon identification of the goods to the Order, whichever is earlier. Supplier warrants title to the goods free and clear of all liens, taxes, and encumbrances whatsoever. Irrespective of vesting of title, Supplier will bear the risk of loss and damage of the goods until the same are delivered in good condition and accepted by Buyer in accordance with these Terms and Conditions and the applicable Order.

**CHANGES.** Buyer shall have the right to change, add or delete items from the Work, by issuing a properly executed written authorization ("Change Order"), and an equitable adjustment shall be made to the Purchase Price. Any claim for adjustment under this paragraph shall be deemed waived unless asserted in writing within 10 days of the date that Supplier receives the Change Order. Nothing in this paragraph shall relieve Supplier from the obligation to proceed without delay in the performance of the Work as modified by the Change Order.

**AUTHORIZED REPRESENTATIVE.** The Buyer's Authorized Representative has sole authority to make contractual commitments on behalf of the Buyer, including, without limitation, the authority to provide contractual direction or to change contractual requirements as defined in the Purchase Order. Any other representatives of Buyer other than the Authorized Representative may release information applicable to this Purchase Order to Supplier; however, if such information changes or appears to change the requirements of the Purchase Order, Supplier shall not act on such information, and it shall not operate to change the Purchase Order unless and until Supplier receives written direction to act from Buyer's Authorized Representative.

**INDEMNIFICATION.** To the extent permitted by law, Supplier shall defend, indemnify and hold harmless the Buyer, Buyer's officers, directors, agents, and employees, Buyer's subsidiaries and affiliates, and Buyer's customers from any claim, loss, cost, damage, expense, customs duties, fine, penalty or interest arising from (1) all claims by reason of injury or death to person, or damage to property, caused by, or alleged to have been caused by, Supplier, any of Supplier's employees, contractors or agents or goods sold by Supplier hereunder, (2) any and all damage to the

property of Buyer, or any of Buyer's subsidiaries and affiliates or Buyer's customers caused by, or alleged to have been caused by, Supplier, any of Supplier's employees, contractors or agents or goods sold by Supplier hereunder, (3) any claims or actions, incident to any infringement or claimed infringement of any patent, copyright, trade mark, or other intellectual property or proprietary right with respect to the manufacture, use, and/or sale of goods or services provided by or through Supplier, (4) any claims arising out of Supplier's breach of or failure to comply with any of the provisions or obligations under these Terms and Conditions, an Order, a contract resulting from Supplier's acceptance or performance of an Order or applicable laws, treaties, ordinances, codes, and regulations, and (5) any claims or liens attaching to the property or equipment of Buyer, or any of its subsidiaries and affiliates or Buyer's customers. Except as otherwise expressly limited in these Terms and Conditions, it is the express intention of the parties that the release, defense, and indemnity obligations and/or liabilities assumed by the parties under these Terms and Conditions shall be without limit and regardless of fault or cause, including but not limited to strict liability, tort, breach of contract, breach of duty (statutory or otherwise), breach of any safety requirement or regulation, or the negligence, gross negligence, or willful misconduct of any person or party, including the indemnified party or parties, whether such form of negligence be sole, joint and/or concurrent, active or passive, or any other theory of legal liability.

**INSURANCE.** Until all obligations under the Agreement are satisfied (unless otherwise stated herein), Supplier and Supplier subcontractors at every tier will, at their sole expense, provide and maintain, at a minimum, the following insurance coverages and limits, with insurers having an AM Best rating of A- or better, using forms and insurers acceptable to Buyer.

- Comprehensive General Liability Insurance including Contractual and Products and Completed Operations Insurance, covering all operations and work hereunder in the amounts of not less than \$1,000,000 for bodily injury and property damage. Such insurance shall specifically refer to this contract and shall specifically cover on a primary basis the liability assumed by Supplier hereunder; and
- Automobile Liability Insurance including all owned, hired, and non-owned vehicles used in connection with operations and work performed under this agreement with \$1,000,000 Combined Single Limit; and
- Workers' Compensation/Employers Liability covering Supplier's employees. Statutory WC, plus \$1,000,000 in Employers Liability and in Compliance with the laws of states in which Supplier is performing work hereunder; and
- Umbrella/Excess Liability of no less than \$5,000,000 in excess of the above listed insurance.

All policies shall name Buyer, Buyer's subsidiaries and

affiliates, and Buyer's customers as Additional Insured on all policies except Workers' Compensation and Employers Liability and provide a Waiver of Subrogation on all policies as respects to work performed or services and products provided under this agreement. Supplier shall furnish Buyer with a certificate of insurance pursuant to above requirements upon request. Certificate holder will be listed as Buyer and all subsidiaries and affiliated companies. Supplier must provide thirty (30) days' notice of Cancellation on all policies listed on Certificate of Insurance to Buyer. If Supplier's operations include professional services, Supplier shall also maintain Professional Liability Insurance with limits of \$5,000,000. The above requirements are minimum requirements and shall not limit Supplier's liability to Buyer and its affiliated companies in any manner.

**WARRANTY.** Supplier warrants that the goods and services provided will (a) strictly conform to the specifications and other requirements stipulated in the Order and the attached or referenced specification sheets; (b) be new, of good, usable, and merchantable quality, and fit for the purpose(s) intended; (c) not infringe any intellectual property right, (d) conform with all applicable laws, ordinances, codes and regulations, and, unless Supplier's standard warranty provides for a longer period, (d) be free from all defects in design, manufacture, workmanship and material for a period of (i) eighteen (18) months after the goods are being placed into service by Buyer or a subsequent Buyer or services are completed or (ii) twenty-four (24) months from date of acceptance by Buyer, whichever period expires first. If within the warranty period, Buyer or subsequent Buyer discovers any defect, error, nonconformity, omission, deficiency, or breach of any warranty as to the goods or services, Supplier will promptly repair, reperform, or replace the goods or services in question at Supplier's sole cost. Any repaired, reperfomed, or replaced good or service shall be warranted for a period of twelve (12) months from its acceptance by Buyer or subsequent Buyer. Should Supplier's standard warranty for goods or services exceed the warranty stated herein, those parts of the warranty that exceed shall automatically be incorporated herein.

**COMPLIANCE WITH LAWS AND POLICIES.** In delivering the Goods or performing the Services, Supplier and its employees, agents, and subcontractors shall:

- Comply with all laws, regulations, ordinances, codes, standards, directives, orders, including judicial orders, and rules issued by governmental agencies or authorities, which are applicable to the relevant transaction, to the Supplier, or to the Goods or Services being provided under an Order (collectively "Applicable Law").
- Comply with all rules, policies, procedures, processes, and work procedures established by the Buyer that are provided to Supplier in writing and/or through an internet link. Copies of Forney Corporation's Human Rights Policy and Conflict Minerals Policy can be found at [www.forneycorp.com/policies](http://www.forneycorp.com/policies).

Notwithstanding anything to the contrary in the Contract, if Buyer, in Buyer's sole opinion, believes Supplier is failing to meet these requirements and notifies Supplier of such opinion and Supplier does not remedy the failure within three (3) days, Buyer may terminate this contract without prejudice to any of its rights and remedies.

**CHANGES.** Buyer may at any time make changes within the general scope of an Order. Supplier shall not proceed to implement any change unless and until such change is provided in writing by Buyer in an Order revision. If any changes cause a material increase or decrease in the cost and/or time required for the performance of any work under an Order, an equitable adjustment shall be mutually agreed in writing and reflected in the Order price and/or delivery schedule. Any Supplier claim for adjustment under this paragraph will be deemed waived unless asserted within ten (10) days from Supplier's receipt of the change notification, and may only include reasonable, direct and documented costs that will necessarily be incurred as a direct result of the change.

**AUDITS.** Supplier grants to Buyer, or its designated representative, the right to make unannounced inspections, to conduct appropriate audits of books and records, and to visit all Supplier's facilities and any other premises employed in connection with Supplier performance under any Order to ensure compliance with these Terms and Conditions and the relevant Order. Upon completion of any review, inspection, audit, or visit by Buyer, or its designated representative, Supplier will be advised in writing if any corrective action is required to assure compliance with the obligations outlined in these Terms and Conditions. If corrective actions are possible to remedy the non-compliance, Buyer may establish a reasonable time period for implementation of the corrective measures required. Supplier will then make all reasonable efforts to implement corrective measures in a timely manner.

**SUSPENSION AND TERMINATION.** Unless otherwise provided, Buyer has the right at any time and without cause to suspend performance of or terminate all or part of the Order by written notice. Supplier will not be entitled to any lost profit, lost revenue, lost business opportunity, or any incidental, indirect, special, punitive, economic, consequential, or other damages, nor will Buyer be liable to pay any costs of termination. Supplier shall keep all property of Buyer, Buyer's subsidiaries and affiliates, and Buyer's customers free and clear from any and all claims, liens and encumbrances, Regardless of Cause.

**WORKS FOR HIRE.** Supplier acknowledges and agrees that any information, materials, reports, recommendations, analyses, models, files, and other work product in any form that Supplier creates or develops as part of the goods or services in connection with an Order (herein "Deliverables") (i) are works for hire, (ii) are the sole and exclusive property of Buyer, and (iii) shall be treated by Supplier as Buyer's confidential information. For any Deliverable that is found not to be a work for hire, Supplier hereby assigns all such Deliverables to Buyer. Supplier

shall execute and cause its employees, consultants, and contractors to execute any and all documents and instruments of transfer and assignment that Buyer deems necessary or appropriate to carry out the foregoing. Compensation of any kind for the rights to such Deliverables shall be deemed included in the price and fees paid to Supplier under the Order.

**CONFIDENTIAL INFORMATION.** Supplier shall consider all information provided by Buyer and all documents resulting from Supplier's performance to be proprietary and confidential, unless such information is available from public sources. Supplier covenants and agrees that it shall not, anywhere in the world, at any time, directly or indirectly, for itself, or on behalf of any person, firm, partnership or corporation, or otherwise, use, divulge, or disclose for any purpose whatsoever (except as may be necessary to perform obligations hereunder), the proprietary or confidential information of Buyer. Supplier shall ensure that all of its personnel, subcontractors, and any other persons having access to Buyer's proprietary or confidential information comply with the provisions of this Section.

**GOVERNING LAW AND DISPUTES.** This Agreement shall be interpreted, governed, and enforced exclusively by the internal laws of the State of Texas, including, without limitation, the Uniform Commercial Code as interpreted by the State of Texas on the date hereof and specifically excluding its conflicts of law rules. The parties agree to waive the United Nations Convention on Contracts for the International Sale of Products, 1980, as amended (CISG). Attempts should be made to settle any disputes regarding this contract by negotiation. If the negotiations do not succeed, all proceedings for the enforcement hereof shall be brought in state or federal court located in Texas. Supplier and Buyer consent and submit to the jurisdiction of said courts, waive any objection thereto, and agree that service of process may be made by registered or certified mail, or in any manner provided under state or applicable federal law. Nothing herein shall prevent a party from joining the other party as an additional defendant or third-party defendant in any suit brought by or against such party in another forum if any issue in said suit relates to the matters referred to in this Agreement.

**DISPUTES (NON-US SUPPLIER).** If Supplier is a permanent resident of a country other than the U.S., or is a corporation, partnership or other entity existing under the laws of any country other than the U.S., and Supplier and Buyer have a Dispute, the parties agree to submit any such Dispute to settlement proceedings under the Alternative Dispute Resolution Rules (the "ADR Rules") of the International Chamber of Commerce ("ICC"). If the Dispute has not been settled pursuant to the ADR Rules within forty-five (45) days following the filing of a request for ADR or within such other period as the parties may agree in writing, such Dispute shall be finally settled under the Rules of Arbitration and Conciliation of the ICC (the "ICC Rules") by one or three arbitrators appointed in accordance with such ICC Rules. The place for arbitration

shall be Dallas, Texas, U.S., and proceedings shall be conducted in English. The award shall be final and binding on both Buyer and Supplier, and the parties hereby waive the right of appeal to any court for amendment or modification of the arbitrators' award.

**ASSIGNMENT.** Neither party shall assign, delegate, or otherwise transfer its rights and obligations under this Order without the prior written approval of the other party. An Order shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto.

**NOTICES.** All notices hereunder shall be deemed given if delivered in writing, personally or by courier, or sent by U.S. mail, or electronic transmission to Buyer or to Supplier at the addresses set forth in the Purchase Order. Any notice given by mail or post shall be deemed given at the time such notice is deposited in the mail.

Copy of all notices to Buyer shall be sent to [Legal@ForneyCorp.com](mailto:Legal@ForneyCorp.com).

**WAIVER.** None of these Terms and Conditions shall be considered to be waived by Buyer unless a waiver is specific and is given in writing. No failure on the part of Buyer to enforce any of these Terms and Conditions shall constitute a waiver of such terms.

**BREACH.** If Buyer believes in good faith that Supplier has breached or will breach any provision of these Terms and Conditions or an Order, Buyer shall have the right to immediately terminate any or all Orders upon notice to Supplier. Alternatively, Buyer may suspend performance of all work under any or all Orders with immediate effect on written notice to Supplier. In the event of such suspension, Supplier shall have a period of fourteen (14) days (the "Suspension Period") to demonstrate to the reasonable satisfaction of Buyer, acting in good faith, that no breach has occurred. If, following the Suspension Period, Buyer acting in good faith is not reasonably satisfied that no breach has occurred, Buyer may immediately terminate any or all Orders upon notice to Supplier. In addition to all of the remedies provided herein, Buyer hereby reserves all additional rights and remedies provided by law or equity.

**CONFLICT MINERALS, PROPOSITION 65, AND PFAS.**

Supplier covenants that it will comply with U.S. Securities and Exchange Commission disclosure rules and other regulations regarding "conflict minerals", including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and that it will undertake periodic inquiries of any Subcontractors and manufacturers of Products to ensure compliance with the foregoing. Supplier further agrees to provide such cooperation as Buyer may reasonably require in order to meet its obligations under conflict minerals laws. Such cooperation may include providing written certifications and other information concerning the origin of conflict minerals included in products and components supplied to Buyer. If the original source of the minerals in the products/components supplied to Buyer is not known, Supplier agrees to cooperate with Buyer, including

disclosing from whom Supplier purchased the minerals and urging Supplier's direct and indirect suppliers to disclose such information, so that the original source of minerals can be accurately determined and reported. Supplier further represents and warrants that the Products are free of perfluoralkylated compounds (PFASs), including perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS) and GenX compounds, and any other substances which are harmful to end users of the Products, including without limitation those chemicals identified under California Proposition 65 that are known to cause cancer or reproduce toxicity. Supplier agrees to annually provide to Buyer a written certification that these requirements have been followed.

**RESTRICTIONS REGARDING SPECIALLY DESIGNATED**

**NATIONALS.** The Office of Foreign Assets Control ("OFAC") in the Department of Treasury ("Treasury") publishes and regularly updates an integrated and comprehensive list of designated parties referred to as Specially Designated Nationals ("SDNs") with whom U.S. persons are prohibited from conducting transactions or providing services, and whose assets are blocked. Buyer represents and warrants it has checked the SDN list and that neither Buyer, nor any of its owners, officers, directors, employees, or subcontractors is currently on that list.

**FORCED LABOR.** Supplier shall not, and shall ensure that its suppliers, subcontractors, and other business partners involved in the mining, production, or manufacture of the Goods do not use any form of convict, indentured, or forced labor, including forced or indentured child labor ("Forced Labor") at any stage of the production or manufacturing process for the Goods or any of its components. Supplier shall, and shall ensure that its Subcontractors, comply with Buyer's Code of Conduct and Human Rights Policy.

**BRIBERY.** Supplier covenants that it will not, directly or indirectly, make or allow any payments that are intended to facilitate, prompt, encourage or motivate any public official (as defined by applicable law, rules, regulations and decrees) to perform routine, non-discretionary governmental actions that such public official ordinarily performs and is required to perform without such payment.

**PROHIBITED AND SANCTIONED COUNTRIES.** Supplier shall not provide any goods or services to Buyer that include materials or labor sourced from countries or regions prohibited or sanctioned by the laws or regulations of any applicable jurisdiction or by the laws or regulations of the United States of America or from entities located therein. Supplier shall not provide Buyer any goods that have transited through countries or regions prohibited or sanctioned by the laws or regulations of any applicable jurisdiction or by the laws or regulations of the United States of America. Supplier shall not source any materials, products or services intended for Buyer from any entity when such transaction would be prohibited under sanctions or export regulations of the United States of America or any other relevant jurisdiction.