

ITW Terms and Conditions of Purchase

- Acceptance. The Illinois Tool Works Inc. division, affiliate or subsidiary (the “Affiliate”) identified on any purchase order, market rate of demand worksheet or release (each, an “Order”), or if no such entity is identified, the buyer hereunder is herein referred to as (“ITW”), and the company selling products (“Products”) or services (“Services”) to ITW is referred to as (“Seller”). These terms and conditions of purchase (“Terms”), any Order and all documents incorporated by specific reference herein (“ITW Documents,” together with these Terms, the “Agreement”), constitute the complete terms governing the purchase of Products and Services. ITW HEREBY REJECTS ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS PROPOSED BY SELLER, WHETHER CONTAINED IN ANY FORMS, INVOICES, CORRESPONDENCE OR ON SELLER’S WEBSITE, AND ANY SUCH ADDITIONAL OR DIFFERENT TERMS WILL BE OF NO EFFECT. No site usage agreement or any other click through agreement on a website will have any binding effect on ITW whether or not ITW clicks on an “ok,” “I accept,” or any similar acknowledgment. Delivery of a purchase order acknowledgment by Seller, commencement of any work by Seller or Seller’s shipment of the Products will manifest Seller’s assent to the Agreement. Notwithstanding the foregoing, unless Seller expressly rejects an Order, Orders shall be deemed accepted seventy-two hours after Seller’s receipt thereof. Additional or different terms may be specified in the body of an ITW Document or agreed to in writing by the parties. In the event of a conflict, the following order of precedence will apply: (a) terms agreed to in writing and executed by an authorized representative of ITW; (b) ITW Document terms; (c) these Terms.
- Affiliates. ITW shall have no liability for purchases by its Affiliates, nor will ITW be regarded as a guarantor under the Agreement for such purchases. Seller waives any right to assert liens, claims or security interests against ITW or any other Affiliate for the obligations of another Affiliate. However, for the purposes of calculating volume discounts or rebates, if any, purchases made by Affiliates will count towards ITW’s aggregate purchases.
- Invoicing, Pricing and Payment Terms. All prices, whether quoted or set forth in an Order, will be in US Dollars and are firm and shall not be subject to change or additional charges without ITW’s prior written consent. Unless otherwise provided in the Order, such charges include all packaging and delivery of the Products to the specified delivery point, labor, supervision, materials, overhead and other costs associated with the manufacture, sale and delivery of the Products and Services, including all excise, import, export, value added, sales and use taxes and surcharges. Payment terms for all Products purchased hereunder are 2% 15, net 60 after receipt of an undisputed invoice. All invoices for the Products and Services must be itemized and must reference the Order number, amendment or release number, ITW’s part number, Seller’s part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, bill of lading number, and other information required by ITW. If Seller breaches any provision of the Agreement, or if any person or entity asserts a claim or lien against ITW relating to Seller’s breach, ITW may withhold from any payments due or to become due to Seller an amount sufficient to protect ITW from all claims, losses, damages and expenses. Seller warrants that the prices Seller

charges ITW under the Agreement for the Products or Services or similar products or services are the lowest prices charged by Seller to any other customer under similar conditions. If Seller charges any other customer a lower price for such similar products or services, Seller must notify ITW and apply that price retroactively and prospectively to all Products and Services ordered under the Agreement. If Seller fails to meet the lower price ITW, at its option, may terminate the balance of the Order without liability. In the event of any dispute under this section, Seller shall continue to perform its obligations under the Agreement.

4. Forecasts, Safety Stock and Product Shortages. Any forecast provided by ITW is non-binding and not a commitment by ITW to purchase such quantities of the Products. Seller shall promptly notify ITW of any potential Product shortages or any pending disputes, litigation or any other circumstance which may jeopardize Seller's or any sub-tier seller's ability to perform under the Agreement. In the event of a potential Product shortage, Seller will prioritize ITW and allocate the available inventory in a manner which ensures that ITW's demands are met in accordance with the specified shipping terms. Time and delivery are of the essence in the Agreement. To reduce lead times and to ensure timely delivery of Products, Seller will, upon ITW's request therefor, manufacture and maintain Products at such safety stock levels as may be set by ITW from time to time to serve as a reserve for shipment. Unless and until such reserve Products are purchased by ITW from Seller, they shall remain the property of Seller and shall be held by Seller at its sole risk and expense.
5. Quantity. Unless the Order requires Seller to manufacture, ship, or provide a specified quantity of Products, the Order is a requirements contract under which Seller is required to supply 100% of ITW's requirements of the Products at ITW's Receiving Location(s). ITW's requirements will be communicated via a release, a non-binding forecast, a Kanban signal or other mechanism as determined by the local plant. These requirements may be subject to change. ITW may return shipments of excess quantities to Seller at Seller's expense.
6. Cancellation or Modification. ITW may cancel any Order, in whole or in part, by providing Seller written or electronic notice of cancellation: (a) with respect to Products that have not been custom produced to ITW's proprietary specifications, at any time prior to Seller's shipment of such Products without further obligation or liability to Seller; (b) with respect to custom designed Products, at any time prior to Seller's shipment of such Products, provided that ITW will have the option to purchase completed Products in the possession of Seller at the Agreement price and work-in-process (excluding any anticipated profit), up to the amount of firm releases; or (c) with respect to Services, at any time prior to completion and ITW will only be liable either (i) for the Services actually performed up to the date of termination or (ii) if payment of fees is dependent upon delivery of deliverables, for the conforming deliverables actually delivered up to the date of termination. ITW may make changes in specifications, materials, packaging, method of transportation and time and place of delivery at any time by notifying Seller. Seller must give ITW prompt notice if the changes affect the price or delivery schedule. If ITW proceeds with the changes, the parties will negotiate an adjustment to the price or delivery schedule consistent with the Agreement. Seller will make no changes to the Product, including the specifications, design, materials, manufacturing location, or processes, without ITW's prior written consent. Seller cannot cancel, terminate or modify any Order, in whole or in part, except with ITW's consent in

writing. Unless the Order expressly states otherwise, the Order is binding on the parties for the length of the applicable customer program production life (including model refreshes as determined by the applicable customer), and both ITW and Seller acknowledge the risk of such program production life being cancelled or extended by such customer.

7. Delivery. Incoterms 2010 will apply to all shipments and, unless otherwise indicated on the Order, all Products shall be delivered FCA ITW's designated delivery point. Seller shall use the carrier designated by ITW and ship and mark the packaging in accordance with ITW's or the carrier's instructions. Title and risk of loss for the Products shall transfer to ITW upon delivery and acceptance of the Products at the named place of delivery in accordance with the applicable Order. If, in order to comply with ITW's required delivery date, it becomes necessary for Seller to ship by a more expensive way than specified in an Order, any increased transportation costs shall be paid for by Seller, unless the necessity for such rerouting or expedited handling was caused solely by ITW. If delivery of Products is not or will not be completed by the date indicated on the Order, ITW may cancel the Order by notice effective when received by Seller, purchase substitute Products elsewhere, and charge Seller for any loss incurred. 100% on-time delivery is required. If Seller fails to deliver the Products by the delivery date, the purchase price will be reduced by an amount equal to 1% of the original price for each business day that the failure continues or, in ITW's sole discretion, any late fees or additional cost incurred by ITW may be offset against any amounts owed to Seller. ITW is not obligated to accept early deliveries, late deliveries, partial deliveries or excess deliveries.
8. Packaging; Marking; Shipping. Seller will: (a) properly pack, mark, and ship Products according to the requirements of ITW, the involved carriers and the country of destination; (b) route the shipments according to ITW's instructions; (c) label or tag each package according to ITW's instructions and any applicable government or regulatory requirement; (d) provide papers with each shipment showing the Order number, amendment or release number, ITW's part number, Seller's part number (where applicable), number of pieces in the shipment, number of containers in the shipment, Seller's name and number, and the bill of lading number; and (e) promptly forward the original bill of lading or other shipment receipt for each shipment according to ITW's instructions and carrier requirements. Seller will provide all special handling instructions that are needed to advise carriers, ITW, and their employees how to take appropriate measures while handling, transporting, processing, using or disposing of the Supplies, containers, and packing.
9. Inspection / Non-Conforming Shipments or Services. ITW may inspect or test a sample or 100% of Products (at ITW's option) at any time during manufacture, prior to shipment or after delivery and may reject all or any portion of a shipment if ITW determines a Product to be defective or nonconforming. Further, Seller shall bear any inspection or testing costs incurred by ITW if such inspection or testing finds that a delivered Product is defective or nonconforming. If inspections or tests are made on Seller's premises, Seller will, without additional charge, provide reasonable facilities and assistance for the safety and convenience of ITW's inspectors. Notwithstanding any prior inspection or testing, payment or passage of title, all Products and Services are subject to final inspection and acceptance at the destination of the Products and Services. Payment for Products or Services delivered hereunder or acceptance of delivery will not constitute acceptance by ITW of such Products

or Services. Products or Services rejected or supplied in excess of quantities called for under an Order may be returned to Seller at Seller's expense. ITW will not be required to make any payment for such Products.

10. Warranty. Seller warrants that all Products shall: (a) conform to all ITW specifications; (b) conform to any ITW sample or ITW model; (c) be free from defects in design, workmanship and materials; (d) be new and free from liens or encumbrances; (e) be adequately packaged, marked, and labeled in accordance with ITW's requirements and all applicable laws; (f) be merchantable and fit for the intended purpose; (g) not infringe on the Intellectual Property (as defined below) of any third party (h) not contain any materials or substances prohibited by applicable law or by any national or international regulations applicable to Seller or ITW. Inspection, testing, acceptance or use of the Products will not affect Seller's obligations under this warranty. Seller's warranty will run to ITW, its successors, assigns and customers and users of the Products. With respect to Services, Seller warrants that (a) it will perform Services in a timely, competent and professional manner and in accordance with industry standards; (b) its employees and agents providing Services will have the proper skill, training and background so as to be able to perform the Services in a competent and professional manner, and where applicable, shall be certified, licensed or otherwise authorized as necessary to perform the Services; and (c) the Services and any deliverables shall conform to any applicable specifications or statement of work.
11. Remedies. If the Products do not comply with the Product warranty (such Products referred to as "Nonconforming Products"), Seller shall, at ITW's sole discretion, promptly repair or replace any Nonconforming Products free of charge, or grant ITW a credit or full refund in an amount equal to the purchase price of the Products. Seller is responsible for all costs incurred by ITW in connection with the nonconformity, including costs associated with the unpacking, sorting, examining, repacking, relabeling, retesting, reworking and reshipping. Seller shall pay for all recall costs arising out of or in connection with the Nonconforming Products. If Seller is unable to remedy such nonconformity within ITW's required time frame, ITW or the third party of ITW's choice may take steps to remedy the nonconformity, and in such case, Seller shall reimburse ITW for any costs incurred by ITW. Seller acknowledges and agrees that money damages will not be a sufficient remedy for any actual or threatened breach of the Agreement by Seller and that, in addition to all other rights and remedies that ITW may have, ITW will be entitled to specific performance and temporary, preliminary and permanent injunctive relief in connection with any action to enforce the Agreement. Additionally, if Seller fails to perform any of its obligations under the Agreement, ITW and its agents may (but shall not be obligated to), without limiting or affecting any of its other rights and perform such obligations without waiving or releasing Seller from such obligations. Where applicable, ITW and its agents shall be entitled to enter upon Seller's premises to perform, and/or to remove any ITW Tooling (as defined below) and all materials and equipment necessary to perform such obligations. All costs, damages and expenses incurred directly or indirectly by ITW in connection with the foregoing, including legal and other professional fees and ITW's administrative time, labor and materials, shall be paid by Seller to ITW on demand or, at ITW's sole option, may be set off against and deducted from any amounts then owing by ITW to Seller.

12. Limitation of Liability. ITW WILL NOT BE LIABLE, AND SELLER WAIVES ALL CLAIMS AGAINST ITW, FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, DOWN TIME, LOST PROFITS OR COMMERCIAL LOSSES, WHETHER BASED UPON ITW'S NEGLIGENCE, BREACH OF WARRANTY, STRICT LIABILITY IN TORT AND/OR ANY OTHER CAUSE OF ACTION. ITW'S LIABILITY IN CONNECTION WITH THE AGREEMENT OR THE PURCHASE OF PRODUCTS OR SERVICES SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCTS OR SERVICES FOR WHICH THE CLAIM IS MADE.
13. Ownership of Intellectual Property. All drawings, know-how, designs, specifications, technical or business information, related material, and the like disclosed to Seller by ITW and all rights therein will remain the property of ITW and will be kept confidential by Seller in accordance with these terms and conditions. The Seller shall have no claim to, nor ownership interest in, any information provided or communicated by ITW, and such information, in whatever form and any copies thereof, shall be promptly returned to ITW upon written request from ITW. Seller acknowledges that no license or rights of any sort are granted to Seller under the Agreement with respect to any rights in ITW's information, ownership, devices, processes, or other intellectual property arising therefrom. Should the Seller perform "development work" (which shall include the creation of know-how and improvements) pertaining to the material covered by this Purchase Order, ITW shall have a full and complete, worldwide, irrevocable, non-exclusive, royalty-free license to make, have made, use or sell, distribute, import or export, any such material. To the extent applicable, the work product provided by Seller under this agreement is a "work made for hire," as that term is defined by applicable copyright laws, and is owned by ITW. To the extent any created items are not considered "works made for hire," Seller hereby waives any rights under the U.S. Copyright Act, 17 U.S.C. § 101, et seq., to terminate this transfer, as well as any moral rights that may exist in the work, including but not limited to the right of attribution and the right of integrity. With respect to moral rights: (i) the Seller shall, despite the transfer referred to in the present Article 12, not exercise any of its rights, title and interests involved, including but not limited to, any moral rights, in a manner that directly or indirectly harm the commercial interests of ITW; (ii) the Seller confirms that with regard to moral rights of the creators, all creators that created intellectual property and other materials for Seller expressly waive, have waived and agree to waive their paternity right. In any case, the creators will refrain to exercise their moral rights, in a manner that directly or indirectly harm the commercial interests of ITW. Regarding the right of integrity, the creators shall only be able to oppose modification(s) of their work insofar as its honor or reputation can be damaged; and (iii) the Seller confirms: (a) that the Seller in any case waives the right to see her name listed as the author of the intellectual property and other materials and that ITW is allowed to disclose the intellectual property and other materials. The Seller guarantees that the rights granted to ITW on the basis of present Article 12, include the rights, title and interest related to the intellectual property and other materials its employees, consultants and independent contractors may or may assert in the future, and that the necessary agreements to do so were entered into with its employees, independent consultants and contractors.
14. Confidential Information. All information furnished or made available by ITW to Seller in connection with the Products or Services shall be held in confidence by Seller. Seller will not

use (directly or indirectly), or disclose to others, such information without ITW's prior written consent. These obligations will not apply to any information that: (a) at the time of disclosure was or thereafter becomes generally available to the public by publication or otherwise through no breach by Seller of any obligation herein; (b) Seller can show by written records was in Seller's possession prior to disclosure by ITW; or (c) is legally made available to Seller by or through a third party having no direct or indirect confidentiality obligation to ITW with respect to such information. Seller agrees that it will not make use of, either directly or indirectly, any of the Confidential Information that it receives or has received from ITW, other than for the purpose for which the Confidential Information has been disclosed.

15. No Publicity. Seller will not advertise, publish or disclose to third parties (other than to Seller's professional advisors on a need-to-know basis) in any manner the fact that Seller has contracted to furnish ITW the Products covered by the Order or the terms of the Order, or use any trademarks or trade names of ITW in any press release, advertising or promotional materials, without first obtaining ITW's written consent.
16. Indemnification. Seller agrees to defend and indemnify ITW, its suppliers, customers, users, and licensors, and each of their affiliates (as they may exist from time to time), employees, shareholders, officers, directors and agents ("Indemnified Parties"), from and against any and all loss, liability, demand, claim, damage, injury, loss of profits or expense (including attorneys' fees) arising out of or relating to: (a) any breach of Seller's representations, warranties or obligations; (b) any act or omission by Seller, its officers, employees or agents (including Seller's subcontractors and their employees and agents); (c) any claim for royalties or license fees, in connection with the purchase, use or sale of the Products; and (d) death or any bodily injury, damage to property or any other damage or loss resulting or claimed to result in whole or in part from the Products. Each Indemnified Party may, at its option, be represented by its own counsel in any action, the expenses of which shall be borne by Seller.
17. Insurance. Seller will maintain, at its own expense, the following insurance policies: (a) Commercial General Liability in an amount of not less than US\$ 5,000,000 each occurrence and in the aggregate for bodily injury and property damage and US\$ 5,000,000 any one person or organization for personal and advertising injury for premises operation, products/completed operations, blanket contractual liability, and broad form property damage; (b) Workers' Compensation in full compliance with the laws of any applicable state and/or country, at not less than statutory limits; (c) Commercial Automobile Liability for owned, hired and non-owned motor vehicles in an amount not less than US\$ 5,000,000 combined single limit; and (d) Employer's Liability and Occupational Disease in an amount of not less than US\$ 5,000,000 each accident for bodily injury and US\$ 5,000,000 each employee and in the aggregate for disease. The limits of coverage required may be satisfied by a combination of primary and excess or umbrella insurance policies. Except for Workers' Compensation, Seller shall include ITW and its affiliates as an Additional Insured on all required insurance policies described above. Upon ITW's request, Seller shall provide ITW a certificate of insurance evidencing such coverage. Seller shall provide no less than 30 days' advance notice to ITW before cancellation of the foregoing coverage.

18. Spare Parts and ITW Tooling. Seller will maintain the capability to supply and provide technical support for spare or replacement parts for the longer of (i) a period of seven years after the delivery of the Products, (ii) for such period as ITW is required by its customer(s) to provide spare or replacement parts incorporating the Products or (iii) for such period as may be required by law (such period, the "Spare Parts Period"). Seller will give ITW a last time buy option at the end of such Spare Parts Period, and shall offer any follow-on products that are compatible with the Products. Unless otherwise agreed to in writing by ITW, the price(s) during the first five (5) years of the Spare Parts Period will be those in effect at the conclusion of current model purchases, plus any actual and documented costs for special packaging, shipping or handling. For the remainder of the Spare Parts Period, the prices(s) for Products will be as agreed to by the parties.
19. Tooling. Seller agrees to itemize and/or sell to ITW any tooling that is built or procured by Seller that is required for the manufacture, testing or maintenance of Products. The purchase price of such tooling shall not exceed the book value. If ITW elects to purchase such tooling, upon ITW's payment therefor, title shall transfer to ITW. In the event Seller discontinues the manufacture of any Product, Seller shall provide ITW with no less than nine months advance written notice and shall provide any transition assistance required by ITW. ITW may provide patterns, dies, fixtures, molds, jigs or other tools or directly or indirectly pay for tools for use in making Products ("ITW Tooling"). Unless approved in writing by ITW, Seller shall not (i) remove or relocate any ITW Tooling; (ii) use the ITW Tooling for any other products or any other customer other than for those Products provided to ITW under the applicable Order; (iii) make any changes to ITW Tooling; or (iv) reverse engineer any ITW Tooling. ITW Tooling (including replacements) shall remain ITW's property, be segregated from Seller's property, and be individually and conspicuously marked as ITW's property. ITW reserves the right to remove or relocate the ITW Tooling at any time and, upon ITW's request, Seller shall, at its cost, transfer possession of the ITW Tooling to ITW free and clear of liens and encumbrances and at the time and place designated by ITW. Seller shall maintain, at its cost, all tooling (including replacement tooling and ITW Tooling) in good condition and at ITW's option promptly repair, replace or pay for its replacement at Seller's cost if lost, damaged, destroyed, or otherwise rendered unfit for use.
20. Continuity of Supply. Upon ITW's request, Seller shall maintain ITW's continuity of supply with respect to a Product in a mutually agreed upon manner, such as by agreeing upon the terms of a "lifetime buy" or executing an escrow or license agreement. In the event of, or in preparation for, the expiration or a termination of the Agreement for any reason, Seller shall use commercially reasonable efforts to transfer, or cooperate fully with ITW to enable ITW to transfer, the performance of Seller's obligations under the Agreement to ITW or a third party supplier designated by ITW, in a manner that (i) minimizes the time to complete such transfer; (ii) maintains the highest quality and performance to ensure the adequate supply of Products; and (iii) causes no disruption to ITW's customers' requirements. Seller shall be responsible for all losses incurred by ITW as a result of Supplier's failure to supply. In the event of a dispute, Seller shall continue to comply with its obligations hereunder until such dispute is resolved.
21. Consignment. ITW may notify Seller that it wishes to have Products sold to a location on a consignment basis (a "Consignment Location"). Seller will deliver to each Consignment

Location the quantity and type of Products ordered by ITW (“Consignment Products”). ITW will notify Seller monthly (or other frequency as determined by ITW) of its use of the Consignment Products, and Seller may bill ITW for such use of the Consignment Products. Title and risk of loss to Consignment Products passes to ITW only after ITW uses or resells the Consignment Products. ITW may, at any time upon written notice to Seller, terminate further purchases of Consignment Products for any Consignment Location and ITW may purchase some or all of the remaining Consignment Products. Any Consignment Products not purchased by ITW will be returned to Seller at Seller’s cost and risk of loss. All other provisions of the Agreement apply to Consignment Products, except to the extent this section conflicts with any other provision of the Agreement.

22. **Software.** In the event the Products include or incorporate Software owned or licensed by Seller (“Software”), Seller hereby authorizes ITW to sell, resell, modify and or license the Software to ITW’s customers. Use of the Software by ITW’s end user customers shall be subject to Seller’s End User License Agreement, if applicable (the “EULA”). In the event Seller’s end user customer reasonably objects to any provisions of the EULA, Seller shall cooperate in good faith with ITW in making commercially reasonable modifications to the EULA. In the event of a conflict between these Terms and the EULA, these Terms shall govern.
23. **Compliance.** Seller agrees to comply with all federal, state, local and foreign rules, regulations, ordinances and laws applicable to Seller’s obligations hereunder and Seller’s manufacture and sale of the Products and Services, including import/export laws, labor laws, and anti-corruption laws. Seller also agrees to comply with all applicable environmental, health and safety laws, and laws against slavery, human trafficking and child labor. Sellers and subcontractors are notified that they may be subject to the provisions of: 41 CFR Section 60-300.5(a); 41 CFR Section 60-741.5(a); 41 CFR Section 60-1.4(a) and (c); 41 CFR Section 60-1.7(a); 48 CFR Section 52.222-54(e); and 29 CFR Part 471, Appendix A to Subpart A with respect to affirmative action program and posting requirements. Seller and subcontractor shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.
24. **Supplier Conduct.** Seller agrees to comply with ITW’s Statement of Principles of Conduct posted at <http://itw.com/investor/governance-documents/statement>, as applicable to it. Additionally, Seller agrees to comply with all the requirements in ITW’s Supplier Code of Conduct and Supplier Expectations, each as amended from time to time and as posted at <http://itw.com/aboutitw/suppliers/>.
25. **Conflict Minerals.** Upon request of ITW, Seller shall determine whether any Products contain tin, tantalum, tungsten, gold or any other material that is designated under applicable rules of the Securities and Exchange Commission (“SEC”) as a “conflict mineral.” If no Product contains one or more conflict minerals that are necessary to the functionality or production of such Product within the meaning of applicable SEC rules and interpretations, Seller shall, upon request, certify to ITW that none of the Products contains such conflict minerals. If any Product contains one or more such conflict minerals, Seller shall certify to ITW the country of

origin of any such conflict mineral or that the conflict mineral came from recycled or scrap sources within the meaning of those terms under applicable SEC rules. If Seller is unable to identify the country of origin, and the conflict mineral(s) in question did not come from recycled or scrap sources, Seller shall in good faith conduct an inquiry of its relevant suppliers as to the country of origin of such conflict minerals, and such inquiry shall comply with then-existing standards under SEC rules for the conduct of a reasonable country of origin inquiry. In the event that Seller is or becomes aware that any conflict minerals that are necessary to the functionality or production of any Products originated from a "covered country" within the meaning of the SEC's conflict minerals rules and did not come from recycled or scrap sources, Seller shall make a good faith effort to determine whether such conflict minerals came from a processing facility certified as conflict free by a recognized industry group that requires an independent private sector audit of the smelter or from an individual processing facility that has obtained an independent private sector audit that is publicly available, and to provide written documentation of such determination. Seller shall also take such additional actions and provide such additional information requested by ITW as may be necessary in order for ITW to be or remain compliant with applicable laws, rules and regulations relating to conflict minerals.

26. Customs. The Seller shall make available to the ITW and any party designated by ITW any and all documents and data necessary to effect customs clearance, including the importer security filing and shall provide any assistance deemed necessary by ITW. If government authorities declare or otherwise impose countervailing duties, antidumping duties, or retaliatory duties on the Products imported under any Order, such additional costs shall not be passed through to ITW.
27. Quality Requirements. Seller will conform to the quality control standards and inspection system that are established or directed by ITW, or to the extent more exhaustive, all applicable industry standards. Seller will also properly document and mark Products to evidence its compliance with applicable law, obtain any necessary certifications necessary under applicable law and participate in supplier quality and development programs of ITW or as directed by ITW. Upon ITW's request, Seller will participate in and comply with all Seller Manuals and supplier performance evaluations. In the event that any of ITW's specifications or other requirements may result in any negative impact to the Product, Seller shall immediately notify ITW in writing of all ramifications of such direction. Any reviews, audits, inspections, acceptance quality levels, approved vendor lists, bill of materials, or approvals by ITW will not relieve Seller of its obligations.
28. Audit. Seller shall maintain and shall direct all sub-tier sellers to maintain complete and accurate records, books of account, reports and other data necessary for the proper administration of the Agreement on a generally recognized accounting basis. Such materials shall include any rebate programs and any other special pricing program extended to Seller. ITW may audit and inspect Seller's books and records. If any audit or inspection reveals an error or irregularity in the computation of prices or any other costs, an appropriate adjustment shall be made by Seller. Further, if such audit or inspection demonstrates that an error or irregularity occurred and caused the prices to be computed in Seller's favor, then Seller shall pay all costs and expenses incurred by ITW with respect to such audit or inspection. Seller shall, at ITW's request, permit ITW or a third party designated by ITW to

have reasonable access to designated areas within its facilities directly relating to the production and packaging of the Products for the purpose of performing production and quality audits. ITW shall conduct any such audit only during Seller's normal working hours.

29. Relationship of the Parties. Nothing in the Agreement or the course of dealing of the parties may be construed to constitute the parties hereto as partners, joint venturers or as agents for one another or as authorizing either party to obligate the other in any manner.
30. Force Majeure. If the performance by either party or any obligation under the Agreement is prevented, restricted or interfered with by any act of God, fire or other casualty, embargo, power or supplies, war or violence, acts of terrorism, or any law, order, proclamation, ordinance, demand or requirement of any governmental agency or similar event beyond such party's reasonable control (each, an "Event of Force Majeure"), such party shall promptly give the other party written notice of the Event of Force Majeure. Delays caused by labor disputes, tariffs, non-performance by Seller's suppliers, delays in transportation, changes in cost or availability of raw materials or components based on market conditions, or scheduled downtime for maintenance shall not constitute an Event of Force Majeure. No later than 48 hours after the occurrence, Seller will provide written notice describing such delay and assurance of when the delay will be cured. If an Event of Force Majeure occurs that affects delivery of Products to ITW, Seller will prioritize ITW and allocate the available inventory in a manner which ensures that ITW's demands are met first. During the delay, ITW may at its option: (a) cancel any Orders and purchase Products or Services from third parties and invoice Seller for any difference in price paid to such third-party by ITW and the price set forth in the Order; (b) to the extent available, require Seller to deliver all finished goods, work in process, tooling, and parts and materials produced or acquired for work under the Order; or (c) have Seller provide Products or Services from other sources and at the price set forth in the Order.
31. Assignment; Binding Effect. No assignment of any rights or interest or delegation of any obligation of Seller under the Agreement may be made without the prior written consent of ITW. Any attempted assignment will be void. ITW may assign the Agreement or otherwise transfer its rights and/or obligations under the Agreement. The Agreement will inure to the benefit of and be binding upon each of the parties hereto and their respective permitted successors and assigns.
32. Remedies and Waiver. Except as specifically set forth herein, all rights and remedies under the Agreement are cumulative, and the exercise of any right or remedy herein provided shall be without prejudice to the right to exercise any other right or remedy. If ITW fails to insist upon strict compliance with the Agreement, ITW's actions will not constitute a waiver of Seller's default or any other existing or future default, or affect ITW's legal remedies.
33. Bankruptcy. If either party becomes insolvent, is unable to pay its debts when due, files for or is the subject of involuntary bankruptcy, has a receiver appointed or has its assets assigned, the other party may cancel any unfulfilled obligations hereunder without liability for such cancellation.
34. Dispute Resolution. If the ITW entity which is a part to the dispute is a legal entity formed in the United States, any dispute arising out of or related to the Agreement will be governed by

and construed in accordance with the laws of the State of Illinois without regard to or application of its principles or laws regarding conflicts of laws, and excluding the United Nations Convention on the International Sale of Goods of 1980 (together with any amendments or successors thereto, the "UNCISG") and litigated exclusively in a state or federal court located in Cook County, Illinois. The parties hereto expressly release and waive any and all rights to a jury trial and consent to have any dispute heard solely by a court of competent jurisdiction. If the ITW entity is a legal entity formed outside the United States then any dispute arising out of the Agreement will be governed by and construed in accordance with by the laws of the country where the ITW entity was formed, excluding the UNCISG if applicable in such country. Any dispute involving an ITW entity formed outside the United States and arising out of or related to the Agreement will be finally resolved by a panel of three arbitrators in accordance with the Rules for Arbitration of the London Court of International Arbitration. Judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The location of arbitration and the language of arbitration will be selected by ITW. Either party may apply to the arbitrators to seek injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. The award shall be final and binding on both ITW and Seller, and the parties hereby waive the right of appeal to any court for amendment or modification of the arbitrators' award. In any action between the parties concerning any provision of the Agreement, the prevailing party is entitled, in addition to the relief granted, to a reasonable sum for their attorneys' fees incurred in such litigation or mutually agreed upon alternative dispute resolution, provided if each party prevails in part, such fees will be allocated in the manner as the court or mediator determines to be equitable in view of the relative merits and amounts of the parties' claims.

35. Survival. Any provisions in the Terms which, by their nature, extend beyond the termination or expiration of any sale of Products or Services, will remain in effect until fulfilled.
36. Severability. If any provision herein is held to be unlawful or unenforceable, the remaining provisions herein will remain in effect.
37. Integration and Modification. The Agreement constitutes the entire agreement between ITW and Seller with respect to the Products and Services, and supersedes any prior agreements, understandings, representations and quotations with respect thereto. No modification hereof will be of any effect unless in writing and signed by the party to be bound thereby.