

Motor Guard Corporation
Purchase Order Terms and Conditions

Goods and services

The goods and services described in this Purchase Order (the "PO") shall be provided by Supplier subject to the following terms and conditions. Supplier agrees to be bound by and to comply with all such conditions. Other terms and conditions are not binding upon Motor Guard Corporation (Buyer), unless accepted in writing.

Purchase price and terms of payment

All payments shall be made in U.S. funds or as otherwise specified. All prices shown in this Purchase Order are firm and are not subject to adjustment. Motor Guard Corporation shall pay to the Supplier any applicable Sales Taxes. Payment for goods shall not constitute acceptance by Buyer.

Method of shipment or packing

Unless otherwise specified, goods shall be shipped in accordance with Motor Guard Corporation North American Routing Guide which is available online at <https://motorguard.com/north-american-routing-guide/>. Goods shall be packaged in a manner which assures that they are protected against damage, pilfering, deterioration and contamination. All goods shall be delivered to the FOB point specified in the PO. Title and risks remain with Supplier until delivery.

Inspection and rejection

The goods and services furnished shall be exactly as specified in the PO. They shall be free from all defects in design, workmanship and materials. The goods and services are subject to inspection and test by Buyer at any time and place. If the goods and services furnished are found to be defective, Buyer may reject them, or require Supplier to correct them without charge, or require a reduction in price which is equitable under the circumstances. If Supplier is unable or refuses to correct such items within a time deemed reasonable by Buyer, Buyer may terminate this PO in whole or in part. Supplier shall bear all risks as to rejected goods and services. Supplier shall reimburse Buyer for all transportation costs, other related costs incurred, and overpayments in respect to the neglected goods and services.

Change

Buyer may make changes to this PO including to drawings and specifications for specially manufactured goods, place of delivery, by giving notice to Supplier. If such changes affect the cost of or the time required for performance of this PO, an equitable adjustment in the price or date of delivery or both will be made. No change by Supplier is allowed without written approval of Buyer. Any claim of Supplier for an adjustment under this Article must be made in writing within thirty (30) days from the date of receipt by Supplier of notification of such change. Nothing in this Article excuses Supplier from delivering the goods and services described in this PO.

Maintenance and operation

Supplier shall supply to Buyer instructions for installation, operation, maintenance and repair of the goods.

Dies, jigs, molds, tools and patterns

If prices paid include the cost of special dies, jigs, molds, tools or patterns (hereinafter referred to as "Tooling"), such items shall become the property of Buyer. They shall be kept in good condition by Seller without expense to Buyer and shall be surrendered to Buyer upon request. Such Tooling is for the sole use of Buyer and shall not be used by Seller in the manufacture of goods or services for any other purchaser or to produce goods in quantities exceeding those ordered by Buyer. The cost of changes, major repair or replacement of Tooling shall be the responsibility of Buyer unless otherwise agreed. Seller shall make no changes, repairs or replacement of Tooling without the prior written consent of Buyer.

Warranty

Supplier warrants to Buyer that goods supplied under this PO are free from defects in material, workmanship and design, suitable for the purposes intended implied, in compliance with all applicable specifications and free from liens or encumbrance on title. All services shall be performed in accordance with current, sound and generally accepted industry practices by qualified personnel trained and experienced in the appropriate fields.

Confidentiality

In the performance of the services, Supplier and its subcontractors, if any, may have access to confidential information (hereinafter referred to as the "Confidential Information") which Buyer must protect from disclosure. Supplier shall undertake to hold all of the Confidential Information it receives in strict confidence and neither to disclose nor release in any manner such Confidential Information to any third party nor to use such Confidential Information for any other purpose than the one for which Buyer has disclosed same; to disclose Confidential Information only to those of its employees or agents who need to know such Confidential Information for the said purpose. Supplier warrants that such employees or subcontractors are obligated to and will hold Confidential Information in strict confidence and to take all reasonable measures to ensure that confidentiality is respected. Supplier shall indemnify and hold harmless Motor Guard Corporation, its officers, directors and employees from and against any and all liabilities, claims, suits, demands, disputes, recourses, damages and expenses including reasonable legal fees arising from any and all claims in respect of, or resulting from, the use or the disclosure of Confidential Information by Supplier, its employees or subcontractors.

Indemnification

Except for damages caused by the negligence of the Buyer, Supplier shall defend, indemnify and hold Buyer harmless from all claims, actions, demands, loss and cases of action arising from injury, including death, to any person, or damage to any property, when such injury or damage results in whole or in part from the acts or omissions of Supplier.

Insurance

Seller shall maintain general liability, product liability, property damage and workers' compensation insurance in commercially reasonable amounts with reputable insurers approved by Buyer. All such policies of insurance shall contain appropriate endorsements naming Buyer as an additional insured and requiring the insurer to give Buyer 30 days' prior written notice of any cancellation or substantial change of coverage. Annually, Seller shall provide Buyer an insurance certificate evidencing the foregoing. Buyer may require minimum liability coverage depending on circumstances.

Assignment and sub-agreemnting

This PO is assignable by Buyer. This PO may not be assigned by Supplier without written approval of Buyer. In case such consent is given, Supplier remains liable as if no such transfer has been made.

Default

A party shall be in default of its obligations under this PO if any of the following events occur, namely:

- a) Such party is adjudged bankrupt or insolvent by a court of competent jurisdiction, or otherwise becomes insolvent, as evidenced by its inability to pay its debts generally as and when they become due; or
- b) Such party is in default of its obligations hereunder and fails to cure such default within thirty days of written notice from the other party, or if such default cannot be cured within thirty days, within such longer period as may be reasonable, provided the defaulting party commences promptly and diligently proceeds with curing the default.

Upon the occurrence of any of the above events, the party not in default may, by written notice to the defaulting party, terminate this PO without prejudice to any other right or remedy available to it at law and without liability for such termination. Neither Supplier nor Buyer shall be liable to the other for indirect damages, for loss of profit or for damages arising from loss of use or production.

Termination

This PO may be terminated or suspended by Buyer in whole or in part. Buyer shall then deliver to Supplier a written notice specifying the extent to which performance and/or the deliveries of goods and services under this PO is terminated and/or suspended and the date upon which such action shall become effective. In the event of such action, Buyer shall pay Supplier for the goods and services satisfactorily provided to the effective date of termination or suspension. In this case, Supplier may submit a proposal to Buyer for equitable increase in the prices to account for costs of demobilization and direct termination expenses. The termination of this PO shall discharge any further obligations of either party.

Force majeure

Supplier shall not be liable for default or delay due to causes beyond Supplier's reasonable control and without fault or negligence on the part of Supplier. Supplier shall give Buyer prompt notice in writing when any such cause appears likely to delay deliveries and/or performances of services and takes appropriate action to avoid or minimize such delay. If any such default or delay threatens to impair Supplier's ability to meet delivery requirements for its material, supplies and services, Buyer shall have the right, without any liability to Supplier, to cancel the portion or portions of this PO so affected. Buyer shall not be liable for default or delay in the performance of its obligations due to cause beyond its reasonable control.

Governing law

This PO shall be governed by the laws of the State of California.