

Doc# Rev. Rev. Date Approve
45 D 12/28/11 MJS

SUPPLIER TERMS AND CONDITIONS

CORRECT TOOL, INC.
869 FAIRWAY DRIVE
BENSENVILLE, IL 60106

Please read this form, then sign and return via fax, email or mail, to Correct Tool.
Thank you.

Page 1 of 2

Terms and Conditions of Contracts between Correct Tool, Inc. and its vendors.

Changes

Seller to notify CTI of any changes in product and/or process definition and, where required, obtain CTI approval. If any change order causes an increase or decrease in cost of or time required for the performance of this order, an equitable adjustment shall be made in the contract price or delivery schedule or both by mutual agreement of CTI and seller.

Terminations

CTI reserves the right to terminate this order either in whole or in part, whether for the convenience of CTI or by reason of default by the seller. In the event of termination for the convenience of CTI, any claim by seller shall be settled on the basis of reasonable cost it is incurred in the performance of this order.

Delivery

Seller shall only ship articles conforming strictly to the quality and other requirements of this order. **Seller must notify CTI of any non-conformances produced on CTI supplied product.** Non-conforming goods require a written waiver signed by CTI quality personnel. Seller shall delivery strictly according to the schedule specified or referred to in this order. Deviation from the delivery schedule may result in default on the part of the seller of the contract either in part or in the contract entirety.

Payments

Payment terms shall be as described in the purchase order agreement. In the event of a default by seller for reasons as described within this agreement or for other reasons as accepted in standard business practice, payment by CTI to the seller shall only be for items received before default of the contract by seller and must adhere to the original payment terms and schedules, as well as the per piece prices based on quantities as originally ordered.

Inspection and Acceptance

All articles shipped and work performed are subject to final CTI inspection and acceptance at CTI's plant. Unless otherwise stated in this order, title will not pass from seller to CTI until final acceptance by CTI. Time limits for rejection are limited to the standard or expected shelf life of the product. Seller warrants that all articles including components and raw materials will conform with all pertinent specifications including performance specifications, drawings, and approved samples if furnished, and will be free of defect in labor, material, and fabrication including latent defects. Work or articles which are non-conforming to the above requirements and other requirements which may be accompany the purchase order may at CTI's option be rejected and returned to seller for rework or replacement. Repair of non-conforming articles may not be performed without the express and written consent of CTI and/or its customers. When rework repair or replacement of defective goods is required by CTI, seller shall proceed with reasonable promptness to perform such corrections or replacement at seller's expense including transportation in both directions. Sellers warranty shall survive acceptance and payment by CTI.

Right of Entry

For reasons of performance of tests and/or inspections at any time before during or after manufacture, CTI, its customers, **and regulatory authorities** are granted right of entry to the sellers plant, storage facilities, and sellers vendors which may be involved either directly or indirectly in the work performed as well as any subsidiaries of seller or seller's vendors.

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Page 2 of 2

Additional Requirements

Personnel performing work on CTI orders must be deemed qualified by seller's management to perform such work.

Supplier is required to contact Correct Tool, Inc. and obtain written confirmation or approval under the following conditions:

- * With notification of non-conforming product
- * For approval of non-conforming product disposition
- * When there are changes to the product or process
- * When there are changes of suppliers
- * When there are change of manufacturing locations

Supplier is required to retain records of all processes, material traceability, certifications and inspection reports for 25 years.

Supplier is required to flow down to the supply chain all applicable requirements, inspection and acceptance criteria and all other Correct Tool requirements as listed on the purchase order and in the Terms and Conditions.

Supplier must provide the right of access by Correct Tool and Correct Tools customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

Seller may not subcontract CTI orders to sub-tier vendors without written approval from CTI. In such cases where approval is granted, the seller must flow down to sub-tier suppliers all applicable requirements in the purchasing documents, including key characteristics where required.

Please sign below and return to Correct Tool

Company name

Company address at this location only

Manager name / title

Phone #

Signature