

Purchase Order Terms US

Revised January 27, 2013

1. ACCEPTANCE: These terms and conditions and the documents referred to herein govern all Purchase Orders (“Orders”) issued by Foremost Graphics Group (Foremost Graphics) to the Supplier identified on each Order. Fulfillment of any part of an Order, or any other conduct by Supplier that recognizes the existence of a contract pertaining to the subject matter of such Order, shall constitute acceptance by Supplier of such Order and all of the terms and conditions included or referenced in these Terms and Conditions (the “Contract Terms”). Foremost Graphics objects to any terms proposed in Supplier’s proposal, sales note, acknowledgment or other form of acceptance of Foremost Graphics’ offer that add to, vary from, or conflict with the Contract Terms. Any such proposed terms shall be void and the Contract Terms constitute the complete and exclusive statement of the terms and conditions between Supplier and Foremost Graphics. The Contract Terms may be modified only by a written instrument executed by authorized representatives of both Supplier and Foremost Graphics. If an Order has been issued by Foremost Graphics in response to Supplier’s offer and if any of the Contract Terms add to, vary from or conflict with any terms of Supplier’s offer, then the issuance of the Order by Foremost Graphics shall constitute an acceptance of Supplier’s offer subject to the express conditions that Supplier assents to the additional, different and conflicting Contract Terms and acknowledges that the Order and these Contracts Terms constitutes the entire agreement between Supplier and Foremost Graphics with respect to the subject matter hereof and the subject matter of Supplier’s offer. Supplier shall be deemed to have so assented and acknowledged unless Supplier notifies Foremost Graphics to the contrary in a writing signed by Supplier’s authorized representative within ten (10) working days of receipt of the Order.

2. TERMINATION: Foremost Graphics may terminate any Order, or its obligation to purchase any products or services from Supplier at any time for any or no reason, in its sole discretion, by written notice to Supplier. If an Order is terminated, then the termination date shall be not less than ten (10) days from the date of notice, unless otherwise mutually agreed to by the parties. Foremost Graphics shall pay for any products delivered or services performed prior to the date that termination becomes effective (on a pro rata basis if Foremost Graphics has paid in advance any fees covering a fixed period of Services). Unless Foremost Graphics has requested and received a refund in respect of any undelivered product(s) or terminated services, it shall be entitled to the delivery of all product(s) and completion of all services for which it has paid prior to the effective date of the termination. In addition to any other remedy provided at law or equity, either party shall have the right to terminate or cancel an Order, and any obligation to purchase, sell or provide a product or service, in the event the other party (a) fails to comply with any condition of the Order or any related Agreement, and such failure is not remedied within thirty (30) days after written notice thereof has been given to such other party; (b) becomes insolvent, makes an assignment for the benefit of creditors, suffers or permits the appointment of a receiver, trustee in bankruptcy or similar officer for all or parts of its business or assets; or (c) avails itself of or becomes subject to any

bankruptcy proceeding under the laws or any jurisdiction relating to insolvency or the protection of rights of creditors.

3. CONFIDENTIALITY: All specifications, documents, artwork, or drawings delivered to Supplier by Foremost Graphics, and any other non-public information Foremost Graphics discloses to Supplier, remains Foremost Graphics' property. The information is provided to Supplier solely for the purpose of Supplier's performance of the Order and on the express condition that neither the Order nor the information contained therein or provided in connection therewith shall be disclosed to others nor used for any purpose other than in connection with the Order without Foremost Graphics' prior express written consent. Foremost Graphics reserves the right to require that Supplier return all such information to Foremost Graphics or destroy it. In the event that Supplier is determined by a court of competent jurisdiction to be in breach of this Confidentiality provision, Supplier agrees that it will not be possible to adequately measure the loss suffered by Foremost Graphics, and that because of the competitive nature of the industry, the injury to Foremost Graphics resulting from a breach of this provision will be irreparable. Therefore, Foremost Graphics will be entitled to a temporary restraining order and preliminary and permanent injunctive relief to halt any actual or threatened violation of this Confidentiality provision, as well as any measurable damages sustained. Supplier's obligations under this paragraph shall survive the cancellation, termination or other completion of the Order.

4. WARRANTY: Supplier expressly warrants that all products and services supplied to Foremost Graphics by Supplier as a result of an Order shall conform to the specifications, drawings or other description upon which the Order is based, shall be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, free from defects and free and clear of all liens or encumbrances. Inspection, testing, acceptance or use of the goods by Foremost Graphics shall not affect Supplier's obligations under this warranty, and such warranty shall survive inspection, testing, acceptance and use. When notified of such non-conformity by Foremost Graphics, Supplier agrees to replace or correct promptly defects of any goods or services not conforming to the foregoing warranty without expense to Foremost Graphics. If Supplier fails to correct defects in or replace non-conforming goods or services promptly, Foremost Graphics may give reasonable notice to Supplier and, thereafter, if Supplier has not cured such defects to the reasonable satisfaction of Foremost Graphics, then Foremost Graphics may (but is not obligated to), at Supplier's expense, make such corrections or effect cover.

5. PRICE: An Order shall be filled at the price shown on the Order. Unless another currency is specified on the Order, all monetary amounts are deemed to be expressed in U.S. dollars. If no price is shown, Supplier must notify the Foremost Graphics' staff member who issued the Order of the price and his/her acceptance must be obtained in writing before filling the Order. The price shall not in any event be higher than the lowest price Supplier provides to any of Supplier's other customers ordering similar quantities, after taking into consideration all rebates, discounts and allowances. Unless otherwise provided on the Order, delivery of Goods shall be f.o.b. destination and Supplier will not charge for boxing, packing, crating or other similar charges. If Supplier sells products to Foremost Graphics, or if the services include

provision to Foremost Graphics of any deliverables, subject to any customs duty, Supplier's prices include any and all related customs duty.

6. TAXES: Foremost Graphics will not be liable for any taxes with respect to an Order, except for sales, use, retailer's occupation, service occupation, excise, ad valorem, value added, or consumption taxes imposed by any governmental authority for the purchase of the products Supplier supplies, to the extent that Supplier is required by law to collect from Foremost Graphics. Supplier shall not collect or remit and Foremost Graphics shall not be liable for, any such taxes if Foremost Graphics has provided Supplier with a tax exemption certificate. Foremost Graphics also will not be liable for any taxes of any nature based on the income of Supplier. If Foremost Graphics reasonably believes they are required by the law of any jurisdiction to withhold any taxes, duties, fees, levies, or charges ("Withholding Taxes") from any fees or other charges (including reimbursement of expenses) paid to Supplier, Foremost Graphics will be entitled to deduct the amount of such Withholding Taxes from the amount of such fees or other charges (including reimbursement of expenses). If Supplier is either exempt from withholding or entitled to a reduced rate of withholding pursuant to a tax treaty or other applicable law, and provides Foremost Graphics with adequate documentation of such exemption from or reduced rate of withholding, Foremost Graphics will be entitled to withhold only such Withholding Taxes from which Supplier is not exempt. In case of doubt by Foremost Graphics as to Foremost Graphics' liability for any such tax, Supplier shall allow Foremost Graphics, at Foremost Graphics' expense, to assume control of any litigation or proceeding relating to the determination and settlement of such tax. Foremost Graphics shall, upon final settlement of such litigation and proceeding, reimburse Supplier for any tax owing including in the amount to be reimbursed, any interest charges and penalties accruing thereon.

7. INVOICES: Supplier agrees to issue invoices referencing the Order number, item number, detailed description of items, quantities, unit prices and extended totals. If an Order contains more than one item, Supplier's invoice will make the proper reference. Taxes, if any that are to be collected by Supplier shall be stated separately and shall be remitted by Supplier to the appropriate taxing authority. All invoices shall comply with the requirements of each relevant taxing authority and shall contain data and registration numbers that will enable Foremost Graphics to obtain appropriate credit for any Taxes charged. All invoices shall be transmitted to Foremost Graphics as follows: Foremost Graphics, 2921 Wilson Drive Northwest, Grand Rapids, MI 49534-7565.

Failure to comply with the above may result in delayed payment or returned invoices.

8. PAYMENT: As full consideration for Supplier's satisfactory provision of the products or performance of the services, Foremost Graphics will pay Supplier's invoice not later than sixty (60) days following Foremost Graphics' receipt of said invoice unless otherwise indicated in the Order. Foremost Graphics' payment of any such invoice shall constitute full and complete satisfaction of any and all actual and potential fees for the billing period covered by the invoice. All payment terms will be calculated based upon date of invoice and payment terms will be considered satisfied based upon date of postmark of payment, or if

EFT payment, date of transmission. Foremost Graphics shall be deemed to have received invoices three (3) business days after the invoice date.

9. PRESUMPTIONS: Supplier shall be conclusively presumed to have waived Supplier's right to receive payment for products or services covered by any Order if Supplier has not submitted an invoice for the products or services within one (1) year of the date of the Order. Supplier's submission of an invoice shall give rise to a presumption that the charges are the full amount Supplier is due for the products or services listed on or referred to in the invoice for the purpose of determining the existence of any underpayment. Supplier may submit supplemental invoices only if accompanied by a photocopy of the original invoice and documentation acceptable to Foremost Graphics that establishes the validity of Supplier's claim for underpayment. Supplier waives any claim for underpayment if a supplemental invoice and supporting documentation have not been furnished within the earlier of (i) one (1) year after the Delivery Date or performance of the services covered by the supplemental invoice, or (ii) three (3) months after the date of submission of the original invoice.

10. FORCE MAJEURE: Neither party shall be liable for a delay in performance of its obligations and responsibilities under this Order due to causes beyond its control, and without its fault or negligence, such as but not limited to war, embargo, national emergency, insurrection or riot, acts of the public enemy, fire, flood or other natural disaster, provided that said party has taken reasonable measures to notify the other promptly in writing, of delay (but in any event, within seventy-two (72) hours of the force majeure event). Time is of the essence of this Agreement, and should Supplier fail to comply with Foremost Graphics' delivery schedule or otherwise fail to comply with its obligations hereunder, Foremost Graphics may terminate its Order without liability. Failure of subcontractors or inability to obtain materials shall not be considered as a force majeure delay.

11. INTELLECTUAL PROPERTY: If Supplier provides to Foremost Graphics any development, consulting, analysis, design, computer programming, installation, testing, conversion, implementation, training, technical writing and any other services resulting in the creation or modification of any computer programs, firmware, schematics, flowcharts, drawings, specifications, documentation, reports, recommendations or other writings, information or material embodied in a tangible medium, all such work product shall be deemed the property of Foremost Graphics as a work for hire and Foremost Graphics shall have all rights relating to such work product.

12. INDEMNITY: Supplier shall, at Supplier's sole cost and expense, release, defend, indemnify and hold Foremost Graphics, its Affiliates, directors, officers, agents, employees, and shareholders harmless from and against all claims, demands, disputes, complaints, causes of action, suits, losses and damages (including attorneys' fees) of any kind to the extent they in any way relate to or arise, in whole or in part, due to (a) the acts or omissions of Supplier, its subcontractors, or agents or the employees of any thereof, in the performance of this Order or any breach or default hereunder or (b) a claim that the goods or services Supplier provides are defective, or (c) a claim that Supplier's products or services, or any part thereof, infringes a patent, copyright, trademark, trade secret or other intellectual or proprietary right of a third party.

13. INSURANCE: Before commencing work, Supplier shall furnish Foremost Graphics with certificates of insurance from companies meeting an A.M. Best rating of at least A- VII showing that Supplier is covered by A) Workers' Compensation as required by law, including a waiver of subrogation in favor of Foremost Graphics; B) Employers Liability and Occupational Disease insurance with limits of \$500,000 per occurrence; C) Commercial General Liability, including Products and Completed Operations, with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage; D) Auto Liability covering all autos with a limit of \$1,000,000; and E) Professional Liability with a limit of \$2,000,000 per claim. The Commercial General Liability policy shall name Foremost Graphics as an additional insured as its interests may appear, contain a cross liability (severability of interests) provision and be primary and non-contributory to any insurance available or maintained by Foremost Graphics. No exceptions to these coverages may be made unless approved in writing by Foremost Graphics. Properly endorsed Certificates of Insurance shall be sent to the following address ten (10) days prior to commencement of delivery of any Product or Services, and upon renewal of insurance policies:

Foremost Graphics 2921 Wilson Drive Northwest, Grand Rapids, MI 49534-7565.

14. LIMITATION OF LIABILITY: IN NO EVENT WILL FOREMOST GRAPHICS BE LIABLE TO SUPPLIER OR ANY THIRD PARTY, IN CONTRACT, TORT OR OTHERWISE, FOR ANY LOSS OF PROFITS OR BUSINESS, OR ANY SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, ARISING FROM OR AS A RESULT OF THESE CONTRACT TERMS, ANY ORDER OR ANY AGREEMENT BETWEEN THE PARTIES RELATING TO THE PRODUCTS, SERVICES OR DELIVERABLES SUPPLIER PROVIDES, EVEN IF FOREMOST GRAPHICS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

15. CHANGES: Foremost Graphics reserves the right to make changes in drawings, designs, specifications, scope of work to be performed, time and place of delivery and method of transportation. If such change is to be made, it will be evidenced in writing by Foremost Graphics (in the form of a "Change Order"). If any such change has an effect on the price, warranty, delivery date or indemnification provisions of the Order, an equitable written acknowledgement of the effect on the changed provisions shall be indicated on the Change Order. Supplier may not make any change in drawings, design specifications, scope of work to be performed, time and place of delivery and method of transportation without Foremost Graphics' written Change Order acknowledging the change. Any such Change Orders accepted by Supplier shall be incorporated in and amend the Order.

16. PACKAGING: Unless otherwise specified, the products Supplier sells to Foremost Graphics shall be (a) packed, packaged, marked and otherwise prepared for shipment in a manner which is in accordance with good commercial practice, (b) acceptable to common carriers for shipment at the lowest rate for the particular goods and in accordance with applicable regulations, and (c) adequate to ensure safe arrival at the named destination. Supplier agrees to mark all containers with necessary lifting, handling, and shipping information and also Order

numbers, date or dates. A packing list must be enclosed in all shipments showing the Order number and exact quantity and description of the goods shipped.

17. RISK OF LOSS: Regardless of the method of shipment used, Supplier agrees to deliver all product specified on the Order to the location(s) specified on the Order at Supplier's own risk. Supplier shall bear the risk of loss, destruction or damage until the items are accepted by Foremost Graphics.

18. DELIVERY: Time is of the essence. Supplier agrees to comply with Foremost Communications' shipping, delivery, installation or startup schedules as indicated in its Order or otherwise communicated to Supplier (if applicable). Shipments must equal the exact amounts identified in the Order and no partial shipments or runt cartons, changes or substitutions in specifications may be made without Foremost Graphics' prior written consent. Foremost Graphics' acceptance of late shipments or partial shipments shall not constitute a waiver of any of Foremost Graphics' rights to collect damages for goods not delivered or for late delivery. Supplier shall report any delays in a schedule immediately to Foremost Graphics as they become known to Supplier. Foremost Graphics reserves the right to cancel the Order and effect cover if Supplier cannot comply with the schedule(s) indicated on the Order. If dates are not specified on the Order, Supplier shall procure materials, fabricate, assemble and ship goods or provide services only as authorized by shipment releases Foremost Graphics issues to Supplier. Foremost Graphics may return overshipments to Supplier at Supplier's expense for all packing, handling, sorting and transportation. Foremost Graphics may from time to time, and with reasonable notice, suspend schedules specified in the Order or such shipment releases. If it becomes necessary for Supplier to ship by a more expensive mode than specified on the Order in order to meet a schedule, Supplier shall pay any resulting increase in transportation cost unless Supplier can establish to Foremost Graphics' satisfaction that the necessity for the change in routing is occasioned by force majeure events.

19. ACCEPTANCE: Payment by Foremost Graphics for the products or services delivered hereunder shall not constitute Foremost Graphics' acceptance. Foremost Graphics retains the right to inspect the products or services performed and to reject any or all of the products or services performed that are defective as determined by Foremost Graphics, as well as the right to inspect Supplier's manufacturing operations, handling and storage of products and raw material, including the equipment used to manufacture the products. Foremost Graphics will give Supplier reasonable notice of any planned Supplier site visit. No inspection or test made prior to final acceptance shall relieve Supplier of liability for defects or other failure to meet the requirements of this Agreement. Products rejected by Foremost Graphics and products supplied in excess of quantities called for herein may be returned to Supplier at Supplier's expense. In addition to Foremost Graphics' other rights, Foremost Graphics may charge Supplier all expenses of unpacking, examining, repacking, and reshipping such goods. In the event Foremost Graphics receives goods whose defects or nonconformity is not apparent on examination, resulting in deterioration of Foremost Graphics' finished product, Foremost Graphics reserves the right to require the replacement, as well as payment of any resulting damages. When a shipment is rejected based upon Foremost Graphics' inspection, and such rejection

increases the risk of jeopardizing Foremost Graphics' production schedules by reason of the fact that at least some of the products are necessary to meet such production schedules, then Foremost Graphics, at its option, may charge Supplier for the reasonable costs of an increased level of inspection up to and including inspection of each of the products comprising such shipment.

20. FOREMOST GRAPHICS PROPERTY: Any material or parts furnished by Foremost Graphics intended for use by Supplier in Supplier's execution of Supplier's duties as required by an Order are held by Supplier as a bailment. All such materials or parts not used by Supplier in connection with an Order shall be returned to Foremost Graphics at Foremost Graphics' expense unless Supplier is otherwise directed in writing. If not accounted for or not returned to Foremost Graphics, Supplier shall pay or reimburse Foremost Graphics for such materials or parts. All such materials or parts will be kept insured by Supplier at Supplier's expense in an amount equal to the replacement cost with a loss payable to Foremost Graphics.

21. ASSIGNMENT/DELEGATION/SUBCONTRACTING: Supplier may not assign, delegate, subcontract or transfer any Order, the work required to be done or any payments to be made hereunder without Foremost Graphics' prior written approval. In the event of agreed delegation or subcontracting, Supplier shall continue to be liable with respect to all of the obligations or liabilities assumed by it hereunder and hereby guarantees satisfactory performance of the Agreement, if any, by its delegate or subcontractor. Supplier shall enter into a written agreement with any permitted subcontractor, which, at a minimum: (a) requires that the subcontractor meets the insurance requirements of these Contract Terms; and (b) includes provisions protecting Foremost Graphics' Confidential Information in a manner consistent with the terms of this Agreement; and (c) provides that Foremost Graphics is entitled to enforce the terms of the written agreement with the subcontractor. All claims for monies due or to become due from Foremost Graphics shall be subject to deduction by Foremost Graphics for any setoff or counterclaim arising out of this or any other Orders with Supplier whether such setoff or counterclaim arise before or after such assignment, delegation, subcontracting or transfer by Supplier.

22. EXPORT/IMPORT: Any export credits belong to Foremost Graphics, and Supplier shall furnish all documents required for international shipments, and upon request, all documents required by Foremost Graphics to obtain export credits and customs drawback and remission. Supplier shall include a priced invoice with the master packing slip for international shipments. Upon Foremost Graphics' request, Supplier shall furnish certificates that identify the country of origin of the materials used in the goods Foremost Graphics purchase from Supplier and the value added thereto in each country.

23. ON-SITE SERVICES. If Supplier performs any services at one of Foremost Communications' sites, Foremost Graphics reserves the right to interview and accept or reject any personnel Supplier intends to provide prior to assignment to Foremost Graphics' facility and Supplier will not send to Foremost Graphics' sites any personnel that have not been approved by Foremost Graphics. Supplier agrees to employ only competent and skilled personnel to perform the services and shall use all reasonable means

to ensure the continued employment of personnel performing services pursuant to Foremost Graphics' Order. Upon Foremost Graphics' request, Supplier will immediately remove from all facilities and replace any personnel who are or become unsatisfactory to Foremost Graphics for any reason. Supplier warrants that all Supplier personnel assigned to the Foremost Graphics facility shall have a prior satisfactory work record in a responsible capacity; have no job-related criminal convictions; and be legally authorized to work in the United States. Supplier personnel will be capable of performing the essential functions of the job for which they are hired, with or without a reasonable accommodation. If Supplier is or becomes a party to any collective bargaining agreement regarding contracted personnel, no provision in that agreement shall be binding upon Foremost Graphics, unless otherwise required by law and Supplier must provide advanced written notice to Foremost Graphics. Supplier further agrees, while Supplier's personnel are on Foremost Graphics' premises, that they will abide by Foremost Graphics' normal rules of work.

24. COMPLIANCE WITH LAWS.

- **General:** Supplier shall comply with all laws applicable to the products or services delivered or provided to Foremost Graphics.
- **Environmental, Health and Safety Compliance:** Supplier also represents and warrants that Products it supplies or delivers under this Agreement shall comply with all applicable national and international environmental, health, safety or product safety laws, regulations, treaties or other legal requirements relating to the manufacture, distribution, use and sale of the Products, including those requirements relating to the presence or use of chemicals or other materials in products (including but not limited to the laws and regulations of the United States (e.g., the Toxic Substances Control Act, the European Union (e.g., the Directive on the Restrictions on use of Hazardous Substances in Electrical and Electronic Equipment) and international law (e.g., the Montreal Protocol relating to ozone-depleting substances). Supplier shall obtain a similar agreement from all of its subcontractors. Supplier agrees to obtain and provide to Foremost Graphics information and documentation, including but not limited to material safety data sheets and test reports prepared by certified and accredited testing laboratories relating to lead, phthalates and heavy metals content in the Products, to enable Foremost Graphics to ensure its own compliance with product safety laws, and to confirm compliance with this provision or to determine the environmental, health or safety effects of materials or chemicals contained in or used by a Product provided to or delivered on behalf Foremost Graphics by Supplier. Supplier also agrees to indemnify Foremost Graphics against any loss, expense and penalty incurred by Foremost Graphics as the result of Supplier's failure to comply with this provision.
- **Equal Opportunity:** Foremost Graphics is an Equal Opportunity Employer.

25. REMEDIES: Foremost Graphics' remedies shall be cumulative and shall include any remedies allowed by law. Waiver of any breach by Foremost Graphics shall not constitute Foremost Graphics' waiver of any other breach of the same or any other provision. Foremost Graphics will not be deemed to have waived any right or claim unless such waiver is in writing and signed by an authorized agent of Foremost Graphics.

Without limiting the foregoing, neither delayed enforcement nor acceptance of any items or payments therefor shall be deemed to be a waiver by Foremost Graphics of any breach.

26. GOVERNING LAW/SUBMISSION TO JURISDICTION: This agreement shall be construed in accordance with the laws governing contracts made and to be performed in the State of Michigan, U.S.A., exclusive of the U.N. Convention on the International Sale of Goods. Supplier hereby consents to the jurisdiction of any local, state, or federal court located within the State of Michigan and waives any objection which Supplier may have based on improper venue or forum non conveniens to the conduct of any proceeding in any such court. To the full extent permitted by law, the Supplier consents to venue in the State or Federal courts sitting in Kent County, Michigan.

27. LANGUAGE: The parties confirm that it is their wish that these Contract Terms, as well as any other documents relating hereto, including all Orders, notices, schedules, authorizations, attachments and amendments, have been and shall be drawn up in the English language only.

28. ENTIRE AGREEMENT: This Agreement and associated documents referenced herein (including but not limited to Orders) constitute the entire agreement between the parties with respect to the subject matter hereof; all prior agreements, representations, statements, negotiations and undertakings, whether oral or written, are superseded hereby. In the event that Foremost Graphics issues an Order contrary to the Contract Terms, the terms of the Order shall govern.