

LEE COMPANY TERMS AND CONDITIONS
FOR THE PURCHASE OF GOODS AND SERVICES

1. Definitions and Scope of Agreement

These Lee Company Terms and Conditions for the Purchase of Goods and Services (“Terms and Conditions”) are incorporated into every Lee Company Purchase Order (“Order”). Together the Terms and Conditions and the Order constitute a binding agreement (the “Contract”) governing all transactions between Lee Company (“Lee”) and the individual, corporation, or other entity named in the Order (the “Seller”) pursuant to which the Seller supplies the specific goods and/or services described in the Order (the “Goods and Services” or the “Goods,” as the case may be), to Lee. The Order may incorporate standards of performance or descriptions of the Good and Services from other documents, including materials prepared by the Seller. Together with any descriptions or specifications in the Order itself, these constitute the “Specifications” for the Goods and Services covered by the Order.

2. Offer/Acceptance

An Order executed by Lee is an offer to purchase the Goods and Services on the terms, and only on the terms, contained in the Contract. Seller may accept in writing or by commencing performance. If Seller accepts in writing, the acceptance must be unqualified and unconditional. If Seller accepts by performance, Lee reserves the right to cancel the Order at any time before it (a) receives an unqualified and unconditional written acceptance from Seller or (b) accepts the Goods and Services. Lee shall not be bound by any additional or inconsistent provisions in Seller’s quotation, acknowledgement, confirmation, invoice, or any other communication from Seller to Lee, unless the provision is expressly agreed to in writing by Lee. All previous offers by Seller are rejected. Lee’s acceptance of the Goods and Services is subject to the provisions of the Contract, and shall not constitute acceptance of any counterproposal submitted by Seller unless accepted in writing by Lee. This Contract constitutes the entire agreement between Seller and Lee, and it supersedes all prior negotiations, discussions, and dealings between the parties. These Terms and Conditions may not be modified except by a writing signed by both Seller and Lee. An individual Order may be modified or rescinded through a Change Order as provided in Section 7 of these Terms and Conditions. Minor (non-material) changes in an Order may also be agreed to through informal means, such as an exchange of emails or faxes, as long as a written record evidencing notice and assent is preserved.

3. Price

The prices in the Order are firm and not subject to increase except through a new and superseding Order. Lee will not pay charges for import duties, inspections, transportation, handling, packaging, returnable containers, insurance, or documentation unless the charges are included in the Order or agreed to in writing by Lee. Lee will pay sales or use taxes on taxable items, and all proposals, bids, quotes, and invoices must include taxes applicable to the Goods and Services covered by the Order, itemized to show which items are taxable and the rates charged. Seller will remit to Lee any refund or recovery of taxes paid by Lee.

4. Quantity

The quantities in the Order are firm and may not be changed except through a new and superseding Order or express written authorization from Lee. Lee may return any overshipment at Seller’s expense for full credit.

5. Quality

All Goods and Services must comply with the Specifications in the Order. If the Order contains no Specifications or if the Specifications are incomplete, the Goods and Services must be of the quality and grade that normally passes without objection within the trade and must be fit for the ordinary purposes for which such Goods and Services are intended. Notwithstanding payment, transfer of title, or prior inspection or test, all Goods will be subject to the inspection and approval of Lee. If the Goods are found to be defective, non-conforming, or fail in any way to satisfy the Specifications in the Order and are rejected, Lee shall notify the Seller in writing within 60 days of delivery; provided, however, that if the defects or nonconformance cannot readily be ascertained by the exercise of reasonable diligence in examining the shipment, then Lee may reject the Goods by notifying the Seller within 60 days of discovering the defects or nonconformance, even if the Goods have been accepted or used by Lee. Lee, at its sole option and at the expense and risk of the Seller, may (a) replace, repair, or have repaired such rejected Goods, (b) return the rejected Goods to the Seller, (c) hold them at a reasonable storage charge, or (d) have additional Services performed by Seller or other parties to Lee’s satisfaction. Should Lee choose to return Goods

to Seller, the return shall be at Seller's sole risk and expense, and at Lee's sole option, either for credit to Lee or for rework or replacement by Seller. If Goods are returned for rework or replacement, Seller shall ship conforming Goods, at Seller's risk and expense, within ten days of Seller's receipt of the returned Goods or such longer period of time as may be agreed to by Lee in writing. Seller shall maintain a quality assurance system adequate to detect and prevent shipment or provision of nonconforming Goods and Services. Lee reserves the right to evaluate the adequacy of Seller's quality assurance system. Upon request, Seller shall provide Lee with appropriate quality assurance documentation, manuals, or certifications.

6. Delivery

The delivery schedules in the Order are firm and may not be changed except through a new and superseding Order or express written authorization from Lee. Time is of the essence. If Seller fails to meet a delivery deadline, Lee may obtain the Goods and Services from another source. Seller is liable to Lee for all losses, damages, and additional costs incurred by Lee as a result of Seller's failure to make timely delivery, including the increased costs of obtaining the Goods and Services elsewhere. Whenever Seller becomes aware that it may not be able to meet a delivery deadline, it shall immediately give written notice of the anticipated delay to Lee and at its own expense take all possible measures, including expediting delivery, to mitigate the effects of any delay.

Change Orders

Lee has the right at any time to make reasonable changes in the quantities, Specifications, and time and place of delivery specified in the Order (a "Change Order"), subject to Seller's right to seek a corresponding equitable adjustment of the purchase price. Any claim by Seller for adjustment because of a change in place and/or time of delivery will be deemed waived unless asserted in writing within ten days after receipt by Seller of the Change Order. Seller understands and agrees that if Seller makes any commitments or production arrangements in excess of the amounts set forth in the Order or in advance of the time necessary to meet Lee's delivery schedule, it does so at its own risk, and Lee shall have no liability to Seller or any other party as a result of the Seller's excess production. Goods shipped in advance of the time required in the Order may, at Lee's option, be returned to Seller at Seller's expense. Lee reserves the right to delay shipment of the Goods for up to 30 days at no additional cost by giving notice to Seller at least ten days in advance of the scheduled delivery date. If delivery is to be in accordance with Lee's written releases in relation to a blanket purchase order, Seller shall not procure, fabricate, assemble, or ship any Goods except to the extent authorized by Lee in such written releases.

7. Packing and Cartage

Unless otherwise specified in an Order, all shipments shall be FOB Origin, Freight Prepaid and Add. Irrespective of the shipping terms, during the period that the Goods are in possession of Seller, all risk of loss or damage to the Goods shall be on Seller. Shipments must be packaged by Seller according to standard industry specifications, or if not covered in standard industry specifications, so as to permit efficient handling, provide adequate protection, and comply with requirements of the carrier. Itemized packing slips identifying the purchase order number, release number (if appropriate), quantities shipped, description of goods, and part number must accompany each shipment. Damages and costs incurred by Lee resulting directly or indirectly from improper packaging will be charged to Seller. Should additional packaging by Lee be required to ensure continued safe transit to a shipment's final destination, the costs of the additional packaging will be charged back to Seller. Unless otherwise agreed upon by Lee in writing, no charges will be allowed for packaging, boxing, crating, returnable containers, drayage, cartage, demurrage, or dunnage. Seller shall route each shipment as instructed and shall consolidate all daily shipments to one destination on one bill of lading per purchase order number. Shipments sent C.O.D. without Lee's prior written consent will not be accepted and will be at Seller's risk. Seller is instructed to ship only the quantity specified in the Order. However, any deviation caused by conditions of loading, shipping, packing, or allowances in manufacturing processes may be accepted by Lee at Lee's sole option. If no allowance is shown, it shall be zero percent.

8. Invoices

Seller shall submit a separate invoice for each shipment showing cash discount terms, point of shipment, actual transportation charges, whether the charges are prepaid, and itemized applicable taxes. Seller may not mark up the actual transportation or handling charges incurred in delivering the Goods and Services covered by the Order. The discount or due date will be calculated from the date Lee receives an invoice that is accurate and complies with the terms of the Contract.

9. Payment

Unless otherwise set forth in the Order, the payment terms are net 60 prox 10th and 25th after (a) acceptance of the Goods by Lee or performance of Services acceptable to Lee and (b) receipt of a correct invoice. Except as otherwise provided in the Order, if the Owner or General Contractor refuses or fails to make any payment to Lee based in whole or in part on the inadequacy or deficiency of the Goods and Services provided by Seller, Lee may withhold payment to Seller for those Goods and Services without interest or penalty of any sort until the dispute is resolved and Lee is paid by the Owner or General Contractor. Lee may, at its option, apply monies due Seller to the payment of indebtedness owed by Seller to Lee or to any subsidiary or affiliate of Lee.

10. Tools

All material and tooling required to fill the Order including, without limitation, dies, gauges, jigs, fixtures, patterns, or wire harness boards, (collectively "Tools") shall be supplied by Seller at Seller's expense. If Lee agrees to pay for or furnish any Tools in connection with the Order, those Tools shall be identified by Seller as the property of Lee, shall be segregated from Seller's like property, and shall be used exclusively for Lee's benefit. Seller shall account for all items belonging to Lee, maintain them in good working order, and keep them fully insured at all times at no cost to Lee. Lee may remove these items or ask that they be returned to Lee at any time upon reasonable notice to Seller.

11. Confidential Information

All non-public information relating to Lee's business or to an Order or to the Goods and Services, including technical information such as drawings, blueprints, design documents, engineering instructions, models, schematics, and specifications, that is supplied by or on behalf of Lee or prepared or furnished by Seller specifically in connection with the performance of an Order, regardless of the format or medium in which it is stored or conveyed ("Lee Information"), shall be and remain the property of Lee. Except as specifically agreed, all Lee Information shall be used solely for the performance of an Order. Seller shall take all reasonable precautions (a) to disclose such Lee Information within Seller's organization only to those employees and agents who have a need to know in order to fulfill Seller's obligations to Lee and who have agreed to keep Lee Information confidential, and (b) to prevent any such information from being divulged to third persons not employed by Seller, including having recipients acknowledge the confidential status of such information and agreeing to similar restrictions. This obligation survives completion or termination of an Order and continues until the information is returned, deleted, or destroyed, in whatever manner Lee may require.

12. Warranty

For three years (or such other period as may be specified in the Order) Seller warrants that the Goods (and, as applicable, the Services) (a) are new, of good quality, free from defects in material, design, and workmanship, (b) conform to and will perform according to the Specifications, (c) are merchantable and suitable for their intended purpose, and (d) are free of any claim of any third party. This warranty extends to Lee, its successors and assigns, and all persons and entities, including affiliates of Lee, to whom the Goods may be resold or leased or for whose benefit the Services may be performed. Lee's approval of Seller's samples, prototypes, or first articles shall not be construed as a waiver by Lee of any requirement applicable to the Order or of any express or implied warranty. In the event of Seller's breach of this warranty, Lee may at its election, and in addition to any other rights or remedies it may have at law or equity or under the Order, (a) return the items at Seller's sole risk and expense and recover from Seller the price paid therefor and, if elected by Lee, purchase or manufacture similar items and recover from Seller the costs and expenses thereof, (b) accept or retain the items and equitably reduce their price, or (c) require Seller, at Seller's expense, promptly to correct or replace the items and pending redelivery to repay Lee any amount paid for such items. In addition Lee may recover from Seller any costs of removing such items from property, equipment, or products in which such items have been incorporated and any additional costs of reinstallation, reinspection, and retesting. If Seller fails promptly to replace or correct such items as directed by Lee, Lee may repair or have them repaired at Seller's expense or purchase or manufacture similar items and recover the costs and expenses thereof from Seller. This section survives termination or cancellation of this Contract.

13. Notice

Any notice required or permitted hereunder shall be in writing addressed to each party's representative named in the Order at the address specified in the Order. Notice may be given by any method likely to give effective actual notice, including hand delivery, commercial courier service, first class mail, facsimile transmission, or electronic mail and shall be effective upon receipt.

14. Assignment

Seller may not assign this Contract or any of Seller's rights or obligations under it without Lee's written consent.

15. Choice Law and Forum

The validity, interpretation, and enforcement of this Contract is governed by the laws of the State of Tennessee without regard to its choice of law provisions. Any action arising under or related to the Contract must be brought in the state or federal courts with jurisdiction over Williamson County, Tennessee, and Seller agrees to submit to the jurisdiction of those courts. If Lee is the prevailing party, it shall be entitled to recover all expenses and costs incurred by it in the litigation (including any appeals), including reasonable attorneys' fees, costs, and expenses.

16. Subcontract

Any field supervision or labor provided by Seller at Lee's jobsite is governed not by these Terms and Conditions but by Lee's Master Subcontract Agreement Terms and Conditions, a copy of which is available for Seller's review upon written request to Lee Company.

17. Compliance with Laws

Seller represents and warrants that the prices charged for the Goods and Services are not in violation of any law or government decree, order, rule, or regulation. Seller further represents and warrants that in the performance of this Contract it will comply with all federal, state, and local laws, regulations, rules, and orders.

18. Termination and Cancellation

(a) Termination for Convenience. Lee may terminate all or any part of this Contract or any Order at any time for any reason for its convenience by delivering written notice to Seller ("Termination for Convenience"). Upon Termination for Convenience, Lee's liability shall not exceed the following amounts not previously paid for, without duplication: (i) services completed in accordance with this Contract prior to Lee's notice of Termination for Convenience; (ii) finished goods, which have passed final acceptance testing and are waiting to be delivered in accordance with this Contract prior to Lee's notice of Termination for Convenience; and (iii) the lesser of the fair market value or actual cost of work-in-process and raw materials to the extent that such costs are allocable to the terminated portion of this Contract; provided, however, that Lee shall make no payment for finished goods, work-in-process, or raw materials that are damaged, or fabricated or procured by Seller in amounts that exceed the amounts authorized in the Order, or undelivered products that are readily usable or resalable. Lee shall not be required to make payments to Seller for loss of anticipated profit, unobserved overhead, interest on claims, unamortized depreciation, or general administrative burden charges, or similar items. Seller will submit as soon as possible, but in no event later than 30 days from the date of the Termination for Convenience, satisfactory supporting evidence for the amount Seller is seeking to collect as reimbursement. Failure to submit such evidence shall constitute a waiver by Seller of its right to reimbursement. Lee may notify Seller that all right, title, and interest in and to all or any portion of materials for which reimbursement is made by Lee hereunder shall immediately pass to Lee. At Lee's request, Seller shall prepare the materials for Lee and hold materials in trust until it receives disposition directions from Lee. Upon reasonable prior notice, Lee shall have the right to enter upon Seller's premises where such materials are located and take possession of the materials. Termination for Convenience shall not be deemed a breach of contract and shall not limit or affect the right of Lee to terminate this Contract or any Order for cause.

(b) Termination for Cause. Lee has the right to cancel or terminate this Contract or any Order, in whole or in part, without liability to Seller if: (i) the Goods and Services do not conform to the Specifications; (ii) Seller fails to make deliveries within the time specified in the Order; (iii) Seller breaches any other term or condition of this Contract or takes or fails to take action that in Lee's judgment threatens Seller's ability to fulfill its obligations under this Contract, and Seller does not correct such breach, failure to act, or action within ten days (or such shorter period of time as is commercially reasonable under the circumstances) after receiving written notice of the breach, action, or failure to act from Lee; (iv) any representation by Seller proves to have been false or misleading in any material respect; or (v) Seller is insolvent, a petition is filed for reorganization of Seller or for its adjudication as a bankrupt, Seller makes an assignment for the benefit of creditors, a receiver or trustee is appointed for any of Seller's assets, or any other type of insolvency proceeding or formal or informal proceeding for the dissolution, liquidation, or winding up of affairs of Seller is commenced. In the event of a termination under Section 19(b)(i)-(iv), Lee shall have the right, in addition to its other rights and remedies provided at law or in equity: (i) to refuse to accept delivery of Goods and/or performance of Services; (ii) within one year after delivery to return to Seller at Seller's expense any nonconforming Goods already delivered and, at Lee's option, either recover all payments made therefor and expenses incident thereto or, at Seller's expense, receive replacement Goods; (iii) to recover any advance payments to Seller for undelivered or returned Goods and/or

Services not fully performed; and (iv) to purchase the Goods and Services elsewhere and to charge Seller with any loss incurred as a result thereof. Lee's right to return Goods is not affected by an assignment by Seller of monies due or to become due hereunder. If Lee terminates or cancels this Contract, or any Order, for cause, and it is later determined that the cancellation for cause was not warranted, the termination or cancellation will be deemed one for convenience pursuant to the terms of this Contract.

(c) **No Waiver of Rights or Remedies.** No termination shall act as or be deemed to be a waiver by Lee of any other right or remedy it may have at law, in equity, or under this Contract. The rights and obligations under this Section shall survive the termination or expiration of this Contract.

19. Intellectual Property Indemnification

As used in Sections 20 and 21 of these Terms and Conditions, the term "Damages" means any and all liabilities, judgments, awards, payments, losses, costs, expenses, or other damages, including incidental and consequential damages, lost profits, interest, penalties, court costs, and attorney fees. The term "Indemnified Parties" means Lee; its directors, officers, employees, agents, successors, assigns, and customers; and all users of the Goods and Services. Seller guarantees that the purchase, use, or sale of the Goods and Services furnished pursuant to this Contract, in the form in which furnished to Lee, will not infringe upon any valid United States or foreign patent, copyright, or any other intellectual property right. Using counsel acceptable to Lee, Seller agrees, at its expense, to defend the Indemnified Parties against any claim, demand, action, or lawsuit threatened or brought against the Indemnified Parties for patent, copyright, or any other intellectual property infringement by reason of purchase, use, or sale of the Goods and Services. Seller further agrees to indemnify and hold the Indemnified Parties harmless against and reimburse them for any Damages incurred by the Indemnified Parties as a result of any such claim, demand, action, or lawsuit. If the sale and/or use of the Goods and Services is enjoined, or in Lee's sole judgment, will be enjoined, Seller shall at Lee's election and Seller's sole expense, obtain for Lee the right to continue using such Goods and Services, replace same with equivalent non-infringing Goods and Services that are acceptable to Lee and its customers, modify such Goods and Services to cause them to be non-infringing, or remove the same and refund to Lee the purchase price plus transportation, installation, removal, and all other incidental expenses.

20. General Indemnification

Using counsel acceptable to Lee, Seller agrees, at its expense, to defend the Indemnified Parties against any claim, demand, action, or lawsuit threatened or brought against the Indemnified Parties (a) as a result of Seller's alleged or actual breach of this Contract, (b) based in whole or in part on an alleged or actual defect or deficiency in the Goods and Services, or (c) alleging injury or loss to third parties caused by the acts or omissions of Seller or its agents in connection with the performance of this Contract. Seller further agrees to indemnify and hold the Indemnified Parties harmless against and reimburse them for any Damages incurred by the Indemnified Parties as a result of any such claim, demand, action, or lawsuit.

21. Insurance

Seller agrees to maintain the following types of insurance coverage for the duration of the Contract: (a) worker's compensation insurance or qualification as a self-insurer to satisfy the laws of the states which have jurisdiction over Seller's employees; (b) errors and omissions liability insurance with minimum limits of \$2,000,000, (c) commercial general liability insurance for bodily injury, personal injury, and property damage, including coverage for products/completed operations and contractual liability, with combined limits of not less than \$2,000,000 per occurrence, and (d) if use of a motor vehicle is required in the performance of this Contract, automobile liability insurance with combined limits of not less than \$2,000,000 per occurrence and \$2,000,000 per accident for bodily injury, including death, and property damage. If Seller fails to maintain the required coverage, Lee may elect to terminate the Contract for cause pursuant to Section 19(b). Upon Lee's request, Seller will provide Lee with written certification, acceptable to Lee, certifying that: (i) the required insurance coverages are in effect and will not be cancelled or materially changed until 60 days after prior written notice has been delivered to Lee; (ii) Lee is designated as an additional insured on Seller's commercial general liability policy; and (iii) all of Seller's insurance identified herein will be primary and not contributory or excess of any other insurance carried by or on behalf of Lee. Seller may satisfy the limits of insurance required herein with any combination of primary and umbrella/excess insurance policies. Under the policies described in this Section, Seller agrees to waive and will require its insurers to waive any right of subrogation or recovery they may have against Lee. The insurance requirements in this Section are separate and distinct from any other obligations of Seller, and neither the issuance of any insurance policy nor the minimum limits specified herein will be deemed to limit or restrict in any way

Seller's liability arising under this Contract. Seller's obligations under this Section shall survive the completion, termination, or cancellation of this Contract.

22. Environmental Health and Safety

If any Services or other work is to be performed on Lee's premises or a Lee customer premises, Seller shall perform the Services or work in accordance with Lee's and its customer's environmental, health, safety, and security rules and regulations.

23. Force Majeure

Neither party shall be liable for any delay or failure to perform its obligations under this Contract arising out of circumstances beyond its reasonable and foreseeable control, including acts of God, fires and other natural disasters, war, terrorism, insurrection or riot, or acts of military authority, if within five days of the force majeure event the affected party provides notice to the other in writing of the event and its likely effect on the party's ability to perform. Lee may extend the delivery schedule to accommodate the delay or non-performance; however, should the force majeure event continue during the term of the Order for a cumulative total of 10 days or more, Lee may cancel the affected Order in whole or in part effective immediately upon written notice to Seller, and Lee's only obligation to Seller shall be to pay for the cost of the Goods and Services actually completed and delivered to Lee as of the date of cancellation.

24. Non-Waiver

Any failure by Lee to require strict compliance with the terms of this Contract shall not be deemed a waiver of Lee's right to insist upon strict compliance thereafter. Lee retains all rights and remedies granted to it by operation of law, or in equity, in addition to those set forth herein.

25. Non-Exclusivity

Nothing in this Contract obligates Lee to deal exclusively with Seller or to place any minimum number of Orders or to order any minimum quantities of the Goods and Services from Seller. Lee's only obligation is to fulfill the terms of any Order to which Lee and the Seller have agreed, in accordance with these Terms and Conditions.

26. Severability

If any provision of this Order is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

27. Survival

Any Section of these Terms and Conditions by its nature expressly or impliedly intended to survive the completion, termination, or expiration of this Contract, including but not limited to Sections 11-13, 16, and 18-21, shall continue in effect as long as necessary to achieve its purpose.