

**BSH HOME APPLIANCES CORPORATION – STANDARD TERMS & CONDITIONS - PRODUCTION MATERIAL**

**Your Unconditional Agreement:** These Standard Terms and Conditions (“STC”) shall apply to and govern all transactions between You and BSH Home Appliances Corporation (“BSH”), for Your provision of goods and/or services to BSH, and shall control over any other document or agreement (including without limitation, oral or written, express or implied). These STCs govern the entire relationship (whether proposed, existing, contemplated, or in the future; collectively, the “Agreement”) between You and BSH. Any changes whatsoever You make hereto or on any other document will be automatically deemed null and void and of no effect, and BSH’s acceptance of goods or services, or BSH’s silence thereto, shall in no event be deemed acceptance of any such changes. Any amendment hereto must be made in writing and signed by BSH. ICC Incoterms 2010, and all rules set forth by ICC pertaining to these terms, shall apply and govern. **No Assignment:** You shall not assign, transfer or delegate to any person or entity any part of Your performance obligations owed to BSH; any attempt to do so shall be null and void, and give BSH the immediate right to terminate without liability or obligation whatsoever. **Price:** Prices specified shall be firm and complete, including without limitation, containers for adequate goods protection in storage and shipment. In no event shall payment be made, or invoices issued, prior to delivery. All state and federal excise, sales and use taxes shall be stated separately on the invoices. BSH retains all rights to set-offs or holdback, and to impose standard fees, for cause (such as reasonable adjustments made for storage, non-conformity, defective goods, or rejection). **Payment:** Payment terms shall be net sixty (60) days. All cash discount shall be computed from the date of receipt by BSH of a correct invoice or goods, whichever is later. Cash discounts will be based on full amount of invoice less freight charges and taxes separately stated on invoice. Any and all related customs duty drawback rights are automatically transferable from You to BSH (You shall immediately inform BSH of any such rights and supply such documents as may be required for BSH to obtain such drawback). **Delivery: TIME IS OF THE ESSENCE.** All Products shall be delivered FCA, Shipper’s named origin (or as otherwise specified in writing by BSH). Title and risk of loss or damage shall pass to BSH only at the Incoterm determined point upon delivery and acceptance. If You fail to deliver products pursuant to a BSH Release, BSH may request expedited “emergency” delivery (You shall pay any related costs thereto for delays, and for emergency delivery). You must use the logistic carrier specified by BSH as specified by BSH. In any case of deviation, BSH may in its sole discretion charge back the cost differential. Delivery shall not be complete until conforming goods have been actually and fully delivered to and accepted by BSH. **Delays:** In any event of delay in the production, acquisition, or delivery of goods hereunder (whether actual or foreseeable, and regardless of cause), You shall immediately notify BSH and shall communicate all relevant information to BSH. You shall be liable for any damages resulting from failure to make a complete, on-time delivery, except where such delay is due to causes beyond Your reasonable control (except where delay is caused by Your additional costs of producing or shipping goods, or delays caused by a supplier You use). **Purchase Orders & Releases:** BSH only issues NON-BINDING Scheduling Agreements from which it may (in its sole discretion) issue one or more Releases (i.e., an order for goods, specifying the exact quantity ordered and delivery date). A Purchase Order / Scheduling Agreement is only a *potential* forecast, and is terminable by BSH at any time without obligation or liability; only a Release issued by BSH is binding upon BSH. You shall not rely on quantities in a Purchase Order, and if You do, You assume all risks thereto. BSH shall have no responsibility except for goods as ordered in a Release, including without limitation if You buy goods or materials in anticipation of future Releases. Unless BSH has made a specific order in a Release, You assume all risks in making purchases or other investments made in anticipation of future BSH business. Shipments in excess of those authorized may be returned to You at Your sole costs and expense, and You shall pay BSH for all related costs (including without limitation, packing, handling, sorting, loading and transportation expenses). BSH may change shipping schedules or temporarily suspend scheduled shipments. If You deliver goods early, You will be liable for storage fees. If You deliver goods BSH did not specifically order, You will be liable for all related costs, including storage and/or disposal fees, and BSH may dispose of such unwanted goods without liability or obligation. **Inspection & Acceptance:** Goods shall be delivered in full conformance, and without defect. Acceptance or rejection of the goods shall be made as soon as practicable after delivery, however, BSH’s failure to inspect, accept or reject goods shall not relieve You of any obligations or liability. In no event shall BSH be liable for latent or hidden defects or nonconformities, and any prior acceptance of such goods shall be deemed null and void. Payments shall not constitute final acceptance. Defective or non-conforming goods will be returned at Your sole risk and expense at full invoice price, plus transportation charges, if any, and no replacement of defective goods shall be made unless specified in writing by BSH. BSH has unrestricted rights to partial acceptance and may in its sole discretion reject and return any portion of any shipment of goods which may be defective or non-conforming, without invalidating the remainder of the order. BSH reserves the right to charge You a standard administrative charge (currently \$50.00) for each non-conformance processed against the goods hereunder; such fee shall in no way constitute a waiver of any other rights and remedies entitled to BSH at law or equity. **Changes:** Changes (including without limitation specifications, shipping instructions, quantities and/or delivery schedules) may only be made with the prior written notice or consent of BSH. Should any change increase or decrease the cost or the time required for production of goods, You shall immediately notify BSH and make an equitable adjustment in the purchase price or delivery schedule, or both. All goods shall be manufactured in accordance with the latest changes approved by BSH. **Termination:** Either party may terminate this Agreement at any time upon notice, subject to the fulfillment by You of any outstanding Releases (but in no event whatsoever shall BSH have any obligation or liability beyond paying for then-outstanding Releases). In any event of termination, BSH may in its sole discretion elect to purchase any additional inventory then-existing, at prices as stated on the most recent Release. You shall retain all such inventory for no less than 30 days, unless BSH states in writing that it has no interest in purchasing such inventory. **Warranties:** In addition to all implied warranties, You warrant that all goods covered hereunder will be merchantable, free from defects in material and workmanship, fit for their intended purpose, and that they will fully conform to all applicable specifications, drawings, samples and descriptions; in the event of any breach hereof, You will (in BSH’s sole discretion, and at Your sole expense) either credit BSH, or replace, repair, or correct any such goods. Any warranties, representations and guarantees, shall run to BSH, and shall survive any inspection, delivery, acceptance, or payment by BSH of or for the goods. **BSH MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITH REGARD TO YOUR EXPECTED BUSINESS VOLUME OR PROFIT.** **BSH’s Property:** All tools, equipment, documents, or other material of every description furnished to You by BSH or for which You have been reimbursed by BSH, including any replacements thereof and any materials affixed or attached thereto shall be the sole, exclusive personal property of BSH. Any BSH-property in Your possession shall at all times be properly maintained by You, shall be appropriately marked to establish BSH’s ownership, shall not be co-mingled with Your property or of any third party, shall not be moved from Your premises without BSH’s prior written approval, and shall be held at Your expense and risk of loss. Upon BSH’s request, You will sign and file a Financing Statement or other similar documentation, affirming Yourself as a mere “Consignee” and/or “Bailee” (in BSH’s sole discretion) to secure title of such property solely and exclusively in BSH. Such property shall be subject to removal at BSH’s written request in which event You shall redeliver such property in the same condition as originally received by You, reasonable wear and tear excepted, all at Your expense. BSH shall have the right to enter upon Your premises at all reasonable times to inspect such property and Your records with respect thereto. You agree not to use any designs, tools, patterns, drawings, materials, or other information or equipment furnished by BSH to You in the manufacture or design of any goods for any customer and further agree not to use or disclose to any third party any confidential or proprietary information of BSH which you come into contact with by virtue of the Agreement. You must immediately inform BSH of any tool loss or damage, and of significant wear and tear, so that replacement tooling may be manufactured and implemented without jeopardizing BSH’s on-going demands. You shall bear all cost and liability for any damages resulting from delayed notification or failure to so notify. **Patents:** You agree to indemnify and hold harmless BSH (including its customers and distributors) against all liability, loss, and expense (including attorneys’ fees) by reason of any claim, action, or litigation arising out of any alleged or actual, direct or contributory infringement of patent arising from the purchase, use or sale of goods provided by You. In case the purchase, use or sale of said goods, or any part thereof, is held to constitute infringement or is enjoined, You shall, at Your own expense, procure for BSH the right to continue the unrestricted purchase, use, distribution and sale of such goods, or, upon BSH’s written approval, modify such goods so they are wholly non-infringing. If this order involves experimental, development or research activities, including engineering related thereto, all information developed in the course thereof shall be owned by BSH and be deemed confidential and proprietary information of BSH, whether patented or not, and You shall fully cooperate (and cause Your employees to cooperate) in executing any documents and taking any other actions necessary or convenient to patent or otherwise perfect or protect for the sole and exclusive benefit of BSH any inventions conceived, developed or reduced to practice in performance of this purchase order/scheduling agreement. If this order does not involve such experimental, development or research activities, but goods are produced in accordance with drawings or specifications furnished by You, You hereby grant to BSH an irrevocable, non-exclusive and royalty-free license to make, have made, use and sell any improvements in the goods which is conceived, developed, or reduced to practice by You, as part of the consideration hereunder, so that BSH’s business will have continuity without interruption. **Defects/Hazards:** In any event You become aware (actual or constructive) of any hazard, danger or defect which could pose a danger to persons or property, You shall immediately notify BSH of such. In no event whatsoever shall BSH be restricted from fixing or recalling product that may (in BSH’s sole discretion) pose a danger to persons or property; in any such event of a fix or recall due to any defect or nonconformity, You shall be responsible for all related costs. **Law & Legal Compliance:** Each party shall comply with all laws, regulations, ordinances, or other governmental regulations now or hereafter applicable (including without limitation, providing reasonable access to Your books in accordance with the U.S. Omnibus Reconciliation Act of 1980), and each party represents and warrants that it has the right and authority to enter into this Agreement. **Non-waiver:** In no event whatsoever shall any action, delay or omission waive any right of BSH at law or in equity. The laws of North Carolina, U.S.A. shall govern and control this Agreement. **Indemnification & Liability:** You shall indemnify and hold harmless BSH (including its officers, agents, employees, distributors, and affiliates), from and against any and all claims, losses, damages, liabilities, costs and expenses (including reasonable attorney fees and other expenses) arising out of your breach, negligence, willful misconduct, infringement, or which such parties may sustain or incur in connection with enforcement of these terms and conditions, or any other legal theory which may result in whole or part, from any act or omission on Your part. You shall carry comprehensive general liability insurance, including, contractual and product liability, with minimum limits reasonably acceptable to BSH, and shall, at BSH’s request, supply certificates of insurance evidencing such coverage. In no event whatsoever shall BSH be liable for consequential, incidental, indirect, punitive or special damages (including for loss of profits, data, business or goodwill), however caused including without limitation for breach of warranty, breach or repudiation of contract, detrimental reliance, tort, strict liability, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages. **Spare Parts:** You hereby agree to provide BSH with quality spare parts for any goods purchased hereunder for 11 years after the last delivery of goods, at prices no-worse than the prices offered to Your then-current customers for similar parts. **Right to Inspect:** To ensure quality control, and conformity with BSH’s specifications, BSH shall have the right at any time during normal business hours to inspect Your premises and operations which pertain to the goods ordered hereunder. **Safety:** All suppliers and suppliers’ representatives shall be required to observe all BSH safety regulations and to take the BSH safety training prior to entering the manufacturing facilities.