



Supplier Terms and Conditions 3-670

Quality Resource Group (QRG) works under the theme of *COMMON GOALS/SHARED SUCCESS*. We want you, our client and us to prosper under any transaction. In order to make sure we all understand what is expected the following operating standards and terms should be adhered to.

Invoices. All invoices for Quality Resource Group. (from here known as QRG), refers to the home office and also refers to Account Managers, employees and all active Account Executives are to be sent to: QRG, 12795 16th Avenue North, Plymouth MN 55441 or e-mailed to accounts.payable@quality-resource.com or faxed to 763.478.8036. A bill of lading or express receipt should be attached to each invoice.

Account Executives Level of Authorization. Authorization under this purchase order is limited to the specific terms and conditions set forth in this agreement. Any contract or agreement outside the scope of this purchase order must be signed and approved by an officer of the corporation to be valid.

Purchase Order Number. The QRG purchase order number and the customer purchase order number must appear on the invoice and the packing slip.

Packing Slip. Packing slips must be included in all shipments.

Sales Tax. All merchandise is for resale and not subject to state sales tax

Delivery Labeling. We will furnish labels upon request for shipping. Mark all cartons, bills of lading and delivery slips with shipper as noted: QRG, 12795 16th Avenue North, Plymouth MN 55441, or the QRG office in which the order originated. The following should appear on all labels: customer purchase order number, sales purchase order number, name of item, quantity, carton numbers, and item number. Any additional information that aids in identifying the item should also appear.

Delivery Location. Unless otherwise specified on the purchase order, deliveries must be made to "SOLD TO" unless "SHIP TO" is completed.

Stub Imprints. (If applicable) Stubs should include the following: QRG (800) 999.3468, unless noted on order.

Quantity. It is not always possible to manufacture the exact quantity order, therefore, it is agreed that overruns and under runs of not more than 10% on custom orders will be accepted unless agreed upon in advance and no overruns are allowed on promotional products unless agreed upon in advance.

Pre-payment. As a normal course of business, QRG does not make prepayment. Should a prepayment be required, the supplier will be required to submit a preliminary invoice showing QRG P.O. number, cost, quantity and scheduled ship date to QRG A/P department.

Payment. It is understood that the cash discount period will date from the receipt of the goods or from the date of the invoice, whichever is later. C.O.D. shipments will not be accepted. QRG payment terms of net 45 unless a prompt payment is offered

Extra Charges. No additional charges of any kind (e.g., boxing, packing, cartage or other extras) will be allowed unless specifically agreed to in writing in advance.

Price. If a price is not stated in the Purchase Order, it is agreed that the goods shall be billed at the price last quoted. This order may not be filled at a higher price than last quoted or charged without QRG's specific written authorization.

Warranty Specifications. Seller expressly warrants that all the materials and articles purchased by a QRG Purchase Order or other description or specification furnished by QRG will be in exact accordance with such Purchase Order, description or specification, will be free from defects in material and/or workmanship and will be merchantable. Such warranty shall survive delivery and shall not be deemed waived either by QRG's acceptance of said materials or articles or by payment for them. Any deviations from this Purchase Order or specifications furnished hereunder, or any other exceptions or alterations, must be approved in writing by QRG

Cancellation. QRG reserves the right to cancel all - or any part of the undelivered portion - of this order if Seller does not make deliveries as specified or if Seller breaches any of the terms hereof including, without limitation, the warranties of Seller.

Inspection and Acceptance. All goods shall be received subject to QRG's right of inspection and rejection. Defective goods or goods not in accordance with QRG's specifications will be held at Seller's expense. If inspection discloses that part of the goods received is not in accordance with QRG's specifications, QRG shall have the right to cancel any unshipped portion of the order. Seller agrees to be responsible for any damages suffered by QRG (or its end users) as the direct or indirect result of unacceptable goods, including costs associated with inspection of the shipment and provision of replacement products. Payment for goods on a QRG order prior to inspection shall not constitute acceptance thereof and is without prejudice to any and all claims that QRG may have against Seller.

Interpretation of Purchase Order and Assignments. This Purchase Order is a contract and shall be construed according to the laws of the State of Minnesota. In the event of a dispute, the Parties consent to the jurisdiction of the State of Minnesota and will be venued in Hennepin County, Minnesota. This Purchase Order may not be assigned by Seller without QRG's written consent. This Agreement shall be deemed to have been executed in the State of Minnesota and shall be governed by and construed according to the laws of the State of Minnesota, without reference to the choice laws doctrine of any state. For purposes of any arbitration or litigation arising out of, relating to, or pursuant to this Agreement or the relationship between the Parties, the Parties hereto agree that the same shall be venued in Hennepin County, Minnesota. Hennepin County, Minnesota shall be the exclusive venue of any such arbitration or litigation, whether or not such venue is or subsequently becomes inconvenient. Vendor agrees to submit to the personal jurisdiction of the Court in Hennepin County, Minnesota.

Confidentiality of information. Confidential information refers to any information obtained from QRG or its customers, in whatever form, whether transferred orally, in electronic format, contained in a printed or written document, or any other form or format which identifies, describes, refers or relates to product and service specifications, product capabilities and customer applications, performance and design information, warehouse and storage requirements, marketing information and strategies, contact and customer lists and information, pricing and financial information, software and hardware information, and any other information or document that is specifically marked "Confidential" or is treated by QRG or its customers as confidential information. Vendor agrees, for itself and for its officers, directors, employees, representatives, subsidiaries, affiliates and agents, that it will not, directly or indirectly, use, alter, employ, sell, give away, reproduce or communicate any confidential information except (a) in order to take necessary steps to prepare and produce proposals, products and services for QRG or (b) as specifically authorized in writing by QRG. In addition, vendors shall reveal the confidential information for the purposes listed in (a) and (b) above, and then only after such agents and employees to the terms and conditions of this agreement. In addition, vendor agrees it will not directly or indirectly call upon, solicit, or attempt to solicit, sell or market to, conduct or attempt to conduct business with, perform services for, or communicate with any QRG customer concerning any services, products, processes, or information of any kind, except as specifically permitted in writing by, QRG. Vendor also agrees not to, directly or indirectly, supply product to QRG customers if the end user is a QRG's customer. Vendor also agrees not to, directly or indirectly; solicit QRG and customer personnel.

Force Majeure. The obligations of either party to perform under this agreement will not be excused during each period of delay caused by acts of God, war or terrorism, or by shortages of power or materials or government orders which are beyond the reasonable control of the party obligated to perform and prevents the party from being able to perform ("Force Majeure"). In the event that either party ceases to perform its obligations under this Agreement due to occurrence of a Force Majeure event, such party shall: (a) immediately notify the other party in writing of such Force Majeure Event and its expected duration, (b) take all reasonable steps to recommence performance of its obligations under this agreement as soon as possible. In the event that any party pursuant to this Agreement, the other party may terminate this agreement immediately upon written notice to such party.

COMPLIANCE WITH LAWS. (a) Supplier warrants all Product to be manufactured, processed, packaged, labeled, tagged, tested, certified, accurately marked, weighed, inspected, shipped and sold in compliance with all applicable industry standards and all applicable federal, state, provincial and local laws, treaties and regulations, including by way of example all laws and regulations relating to labor, health, safety, environment, serial and identification numbers, labeling, country of origin designation, and Customs requirements; all FDA, toxic substances, OSHA and EPA regulations, Federal Meat Inspection Act or Poultry Products Inspection Act, or any other food safety statute; and the requirements of California Proposition 65.

(b) Supplier agrees to execute and/or furnish to QRG on reasonable request, all certifications, guaranties and other documents regarding and verifying compliance with such laws and regulations, including any Material Safety Data Sheet ("MSDS") as required by OSHA regulations.

(c) Supplier must give prompt written notice to QRG of any facts it learns indicating that Product is not in compliance with such laws, regulations and/or standards.

(d) QRG reserves the right to cancel any Purchase Order if it reasonably believes Product to be delivered does not comply with the requirements of this section.

U.L. All electrical Products must be approved by Underwriters Laboratories, Inc. or the equivalent designated in writing by QRG

ABILITY TO SELL. Supplier warrants and represents to QRG that the Product and its resale will not infringe any patent, trademark, trade dress, trade name, copyright or other right of any third party; that the Product is without defects and has adequate warnings and instructions; and that Supplier is not a party to any agreement or understanding, and that there is no other impediment or restriction that limits, prohibits or prevents Supplier from selling and delivering the Product to QRG or limits, prohibits or prevents QRG from reselling the Product.

INDEMNITY. Supplier shall defend, hold harmless and indemnify QRG, its subsidiaries, affiliates, and their employees, agents and representatives (collectively "QRG ") from and against any and all claims (including claims of QRG against Supplier), actions, liabilities, losses, fines, penalties, costs and expenses (including reasonable attorneys' and experts' fees) arising out of any of the following provided that the Supplier's obligation to defend shall apply only to claims or actions brought by a third party against QRG:

- (a) Any actual or alleged infringement or misappropriation of any patent, trademark, trade name, trade dress, copyright or other right relating to any Product, or other breach of these Standard Terms or the Agreement Documents;
- (b) Any actual or alleged injury to any person, damage to any property, or any other damage or loss, by whomsoever suffered, claimed to result in whole or in part from the Product or any actual or alleged defect in such Product, whether latent or patent, including any alleged failure to provide adequate warnings, labeling or instructions;
- (c) Any actual or alleged violation of any law, statute or ordinance or any judicial or administrative order, rule or regulation relating to the Product, or to its manufacture, shipment, import, labeling, weights and measurements, use or sale, or any failure to provide an MSDS or certification; or
- (d) Any act, activity or omission of Supplier or any of its affiliates, employees, representatives, agents or contractors, including activities on QRG's premises and the use of any vehicle, equipment, fixture or material of Supplier in connection with any sale to or service for QRG.

These indemnities and obligations of Supplier shall not be affected, expanded or limited in any way by QRG's extension of warranties to its customers, or by any approval, specification, act or omission of QRG. Supplier shall have no obligation to defend, hold harmless and indemnify QRG for QRG's sole negligence or intentional wrongful acts.

INSURANCE. (a) Supplier shall obtain and maintain, at its expense, a policy or policies of:
(i) Commercial General Liability (including product and completed operations, personal and advertising injury, contractual liability coverage) with a minimum of \$2,000,000 General Aggregate limit; \$2,000,000 Products and Completed

Operations Aggregate limit; and \$1,000,000 each occurrence, written on an occurrence form. Insurance shall be written on a world-wide basis.

(ii) For Suppliers whose employees enter QRG 's premises, Workers' Compensation Insurance with statutory limits and Employers' Liability (Stop-Gap Liability in monopolistic State Workers Compensation Fund states) insurance with minimum limits of \$1,000,000 per accident combined single limit for bodily injury and property damage; Automobile Liability Insurance with \$1,000,000 per accident combined single limit for bodily injury and property damage limits for each accident, including owned, non-owned and hired vehicles. Such insurance shall contain a waiver of subrogation endorsement in favor of QRG

(b) Supplier will provide Certificates of Insurance at all times naming QRG and/or any subsidiary, proprietary company or corporation, partnership or joint venture thereof as "Additional Insured's" with respect to General Liability and Automobile Liability policies, and attach the Broad Form Supplier Endorsement (ISO CG2015 1185) executed in favor of QRG and Additional Insured's, to the Certificates of Insurance, and protecting all parties from the liability set forth in 16(a) above. Supplier's insurers must be Best's rated B+, VII or better. Supplier shall provide the Certificates of Insurance, evidencing the required coverage, prior to receiving a Purchase Order from QRG

(c) Policy limits may not be reduced, terms changed, or the policy canceled with less than thirty (30) days' prior written notice to QRG. Supplier's insurance shall be primary with respect to any other insurance available to QRG and shall contain a waiver of subrogation by Supplier's insurance carrier against QRG and its insurance carrier with respect to all obligations assumed by the Supplier pursuant to the Agreement Documents. It shall be the responsibility of the Supplier to ensure that any of its agents, representatives, subcontractors, and independent contractors complies with the above insurance requirements. Coverage and limits referred to above shall not in any way limit the liability of the Supplier.

PRODUCT WITHDRAWAL AND RECALLS. In the event Product is the subject of a withdrawal or recall (which includes safety notices) or other action required to bring the Product into compliance with the Agreement Documents (whether initiated by QRG, Supplier, or a government or consumer protection agency), Supplier shall be responsible for all costs and expenses associated with the recall, notice or action. Supplier shall promptly reimburse QRG for all costs and expenses incurred by QRG related to the recall, notice or action including recalling, shipping and/or destroying the Product (and where applicable, any products with which the Product has been packaged, consolidated or commingled), including refunds to customers.

INTELLECTUAL PROPERTY. The ownership and exclusive use of the trademarks and other intellectual property owned by or under license to QRG and/or its affiliates, which include QRG (and all derivatives thereof) shall remain vested in QRG and/or such affiliates as the case may be, and Supplier shall have no rights or interest in them. Supplier agrees that prior to using such intellectual property in any manner; it will obtain prior written consent and comply with QRG's Guidelines. Supplier shall not contest, directly or indirectly, the ownership, validity, or enforceability of such intellectual property or use any confusingly other similar intellectual property.

NO PUBLICITY. Supplier shall not, without the prior written consent of QRG, refer to QRG or any of its affiliates or any of its clients in any manner in press releases, advertising or other public or promotional statements. Supplier must obtain written permission from QRG prior to using samples of QRG produced products for any reason.

QRG has a concern for quality in product, packaging, delivery and invoicing. We require that you adhere to these terms and conditions or we may be forced to subtract monies owed to correct any problems that may occur.

***Important Notice: QRG is not the Importer of Record; any vendor supplying imported goods is the Importer of Record. ***

Terms and Conditions are subject to change without notice.