



**JOHN DEERE**

John Deere Engine Logistics Center

#### PURCHASE ORDER TERMS AND CONDITIONS

1. **ACCEPTANCE OF PURCHASE ORDER:** This purchase order constitutes Buyer's offer to Seller upon the terms and conditions stated herein and in to body of the order as shall become a binding contract upon acceptance thereof either by acknowledgement or performance. Said offer is limited to said terms and condition and no deviation there from shall be acceptable.
2. **MODIFICATION/CHANGES:** This purchase order constitutes the entire agreement between Buyer and Seller superseding all prior communications and/or agreements between the parties. All telephone orders must be confirmed by Buyer in writing. The purchase order may only be modified in writing signed by both parties. Buyer may, by written notice, change specifications or other terms contained on the obverse hereof or suspend work on items ordered. Upon receipt, Seller shall notify Buyer immediately of any increase or decrease in the cost or time of performance. Buyer may cancel this order with or without cause at any time. Buyer will not be liable for the purchase price or other costs or damages.
3. **PRICES:** (a) Net prices shall not exceed those appearing opposite each time hereon and is seller sells to any other comparable customer at lower net prices than offered herein Seller agrees to immediately make such prices available to Buyer. (b) in the event that this purchase order is a blanket order and is subject to release(s) during the period specified hereto agree that the price(s) shown on this purchase order shall remain firm for all requirements (quantities) released pursuant to this purchase order for the duration of this purchase order as specified hereon except that the parties may negotiate price changes or a lower price may be required to subparagraph (a) above in which event an amendment hereto will be issued. (c) Shipments shall not be made at prices higher than specified. (d) No box crating or transportation charges will be allowed. (e) Buyer shall not pay for goods exceeding the quantity ordered.
4. **WARRANTY:** Seller expressly warrants that items covered by the purchase order will be merchantable fit and sufficient for the purpose intended and will be of good material and workmanship and free from defects and if ordered to Buyers description will conform to the design, specifications, drawings, blueprints, samples, or other technical description furnished or adopted by Buyer. The warranty shall run to buyer its successors, assigns, dealers, agents, customers, and users of its products. Seller will save indemnify and hold Buyer harmless against liability arising out of the violation of any U.S. or Foreign patent with respect to any goods or services purchased by Buyer hereunder.
5. **INSPECTION:** (a) Seller Agrees all items shall be subject to inspection and test by Buyer at Seller's plant and/or the point of destination as Buyer may elect notwithstanding prior payment if any items are determined to be defective in material, workmanship, or design (if item is Seller's design and specification) or otherwise fail to meet the requirements of this purchase order. Buyer shall have the right to reject and return such defective items to Seller at Sellers expense, Seller paying transportation charges both ways unless Seller shall direct Buyer to scrap or rework such items at destination or Buyers plant. Seller shall promptly correct or replace such returned and/or scrapped items at Sellers expense; items shall not be replaced except on receipt of replacement purchase order from buyer. If Seller shall fail to perform Buyer may cancel the then remaining balance of this purchase order. Buyer reserving in either or both cases of cancellation all other legal rights and remedies available to it because of such failure to perform. (b) If this order is for machinery, tools, or equipment special or otherwise: (1) initial testing of such items will be at Seller's factory in the presence of Buyer's engineers; Seller will then supervise, at its expense, the installation and initial operation of such items at Buyer's plant. Such items will be accepted only after all necessary corrective adjustments relating to mechanical operations, capacity, or any other matter, have been made by seller at its expense and such items have been in satisfactory production use for at least (30) days and Buyer will not be requested to make payment prior to such date. (11) Seller specifically warrants that for a reasonable period of time after being placed into regular production use, such items will, when operating under Buyers production conditions perform for purpose intended to be performed by such items in a manner consistent with Buyers production and quality requirements. (111) Approval by Buyer of construction drawings and any other materials relating to design or construction of such items is merely advisory on Buyer's part and shall in no way relieve Seller or its warranties.
6. **DEFECTS AFTER ACCEPTANCE:** If any of the items which have been inspected, tested, and accepted by Buyer fail to meet the warranty contained in Paragraph 5. Seller, upon notice thereof from Buyer, shall promptly correct or replace the same at Seller's expense and reimburse Buyer for incidental or consequential damages suffered by Buyer as direct or indirect purchaser from Buyer. If Seller shall fail to perform, Buyer may cancel this purchase order as to all such items, and in addition, may cancel the then remaining balance of this purchase order, Buyer reserving in either or both cases of such cancellation all other legal rights and remedies available to it because of such failure to perform. After notice to Seller all such items will be held at Sellers risk. Buyer may return such items to Seller at Seller's risk, and all transportation and related charges both to and from the original destination shall be paid by Seller. Defective items returned to Seller and/or defective items scrapped by Buyer at Seller's direction shall be deducted from total shipments in determining the undelivered balance or any under the purchase order.
7. **TITLE:** Buyer shall at all times have title to all drawings and specifications furnished by Buyer to Seller and intended for use in connection with this purchase order. Seller shall use such drawings and specifications only in connection with this order and shall not disclose such drawings and specification to any person, firm or corporation other than Buyer's or Seller's employees,

subcontractors or Government inspectors. The Seller shall upon Buyer's request or upon completion of the order promptly return all drawings and specifications to the Buyer.

8. **LATE DELIVERY:** If Seller's deliveries are so far behind a given schedule that Buyer finds it necessary to call upon Seller for express shipments. Seller will allow Buyer the difference between freight and express rates and if Seller's deliveries are so far behind a given schedule that the Buyer is compelled to use materials not according to Buyer's specification or at a higher cost, the Seller will pay whatever additional costs, expenses, losses, or damages that Buyer sustains. The provisions of this paragraph however are not intended to limit any other rights the Buyer may have against the Seller as a matter of law.
9. **LABOR LAWS:** In performance of the Seller's work and the furnishing of materials under this order, Seller shall comply with all applicable laws and regulations relating to employment. Including but not limited to the Fair Labor Standard Act and the Occupational Safety and Health act of 1970. Where this purchase order covers materials and/or services to be used in the fulfillment of a government contract, Seller shall comply with the Executive Order 11246, the Vocational Rehabilitation Act of 1973, the Vietnam Era Veterans Readjustment Act of 1974, the National Women's Business Enterprise Program established by Executive Order 12138, the Labor Surplus Area Program mandated by P.L. 95-507, and all rules and regulations thereunder, unless exempted from such compliance. Seller shall hold Buyer harmless from and reimburse it for any and all costs, damages and expenses (including attorney's fees) suffered by it directly or indirectly through the failure of the seller to comply with any such laws, regulations or orders.
10. **INDUSTRIAL LAWS:** The seller agrees that neither the seller nor any of the person's furnishing materials or performing work or services which are required by this order are employees of Buyer within the meaning of or the application of any Federal or State Unemployment Insurance Law or Old Age Benefit Law, or other Social Security Law, any Workman's Compensation Industrial Acts Law or other Industrial or Labor Law. The seller hereby agrees, at its own expense, to comply with such laws and to assume all liabilities or obligations imposed by any one or more of such laws with respect to this agreement.
11. **OTHER LAWS:** Seller will comply with all Federal, State and Municipal laws, rules and regulations that may be applicable to this order.
12. **WAIVER:** The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by either party of a breach of any provision hereof constitute a waiver of any succeeding breach of the same or any other provision or as a waiver of the provision itself. The remedies herein reserved shall be cumulative and in addition to any other remedies provided by law or equity. Time is of the essence of the agreement
13. **INTERPRETATION:** This purchase order shall be considered as executed in and shall be construed in accordance with the laws of State of Ohio. For purposes of this purchase order. Seller is a "Merchant" within the meaning of that under the Uniform Commercial Code.
14. **NECESSARY DATA AND EQUIPMENT:** Seller warrants that it has all blueprints, specifications or other data required to enable Seller to produce the items or perform the services specified herein. Seller warrants that it has or will procure without Buyer's assistance all facilities, machinery and equipment necessary for the performance of this purchase order.
15. **ASSIGNMENT AND SUBCONTRACT:** This purchase order, any payments due hereunder, or any portion of work to be performed hereunder shall not be assigned or subcontracted to any other person without Buyer's prior written consent. Buyer shall promptly be furnished with two signed copies of any such assignment. Payment to an assignee of any such claim shall be subject to set off or recoupment for any present or future claim or claims which Buyer may have against Seller, except to the extent that any such claims may be expressly waived in writing by Buyer. Buyer reserves the right to make direct settlements and/or adjustments in price(s) with Seller notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee.
16. **INDEMNITY:** Seller agrees to save hold harmless and indemnify Buyer against any and all claims, liability, losses, damage and expense, for injuries, death or loss or damaged to property arising out of the performance by Seller of this purchase order. Seller may, at Buyer's option, be required to defend all such suits arising out of Seller's failure to properly perform hereunder.
17. **INSURANCE:** If this purchase order covers services to be performed by Seller or premises designated by Buyer, Seller agrees to provide Buyer with Certificates of Insurance evidencing insurance coverage of Worker's Compensation (statutory) and Employers liability (\$1,000,000 limit) Public Liability (with minimum combined Single Limits of \$ 1,000,000 for Bodily Injury and Property Damage) and to save, defend hold harmless indemnify Buyer from and against all losses, damages and expenses that may arise from bodily injury(ies) including death(s) at any time resulting therefrom to any person, or from damage to any property, caused in whole or in part by the acts or omissions of Seller its agents or servants arising out of such services as may be performed on premises designed by Buyer Seller will comply with all applicable with all applicable Federal or State Occupational Safety and Health Acts and Workers Compensation Laws and regulations and with all plant safety rules: Seller also agrees, when work is to be done on premises designated by Buyer to keep such premises free and clear of all Mechanic's liens.
18. **NOTICE OF LABOR DISPUTE:** Should any potential or actual labor dispute delay or threaten to delay the timely performance of this purchase order, Seller will immediately give notice to Buyer.