

A&S INNERSPRINGS USA, LLC
GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Parties. “Purchaser” shall mean A&S Innersprings USA, LLC. “Seller” shall mean the party with which Purchaser places its purchase order(s). The goods covered by Purchaser’s purchase order and all parts, portions, items, attachments, repairs, replacements and substitutions thereof are collectively referred to as the “Products.” The services covered by Purchaser’s purchase order are referred to as the “Services.”

2. Agreement and Acceptance.

(a) These General Terms and Conditions of Purchase (“**Terms and Conditions**”) along with Purchaser’s purchase orders, any releases, requisitions, work orders, shipping instructions, supplemental terms and conditions and any other document, whether expressed in written form or by electronic data interchange provided by Purchaser (collectively, the “**Agreement**”) will exclusively govern the purchase of Products and Services by Purchaser from Seller and represent the entire agreement between Purchaser and Seller with respect thereto. The Agreement, together with any documents incorporated herein by reference, constitute the sole and entire agreement of the parties with respect to the Agreement, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Agreement.

(b) Acceptance of Purchaser’s purchase order shall constitute Seller’s agreement to comply with and be bound by the Agreement, including but not limited to these Terms and Conditions. Purchaser objects to and rejects any other terms and conditions that may be proposed by Seller or that appear on or are referenced in Seller’s quotation, bid, acknowledgement, or other documents of Seller that are in addition to or otherwise not consistent with the Agreement. Trade usage and course of dealing or performance shall not be employed to vary, explain or supplement the Agreement. Any reference on the face of Purchaser’s purchase order to any bid, proposal or offer of sale is deemed to be limited to the description of the Products or Services and shall not effect or modify the Agreement. If this Terms and Conditions is construed as an offer, this offer expressly limits acceptance to the terms of this offer and notice of objection to any different or additional terms in any response to this offer is hereby given. If this Terms and Conditions is construed as an acceptance of an offer, this acceptance is expressly conditioned upon the offeror’s assent to any different or additional terms contained on the front or reverse side herein. If this Terms and Conditions is construed as a confirmation of an existing contract, the parties agree that this confirmation states the exclusive terms of any contract between the parties.

(c) Regardless of its construction, this Terms and Conditions incorporates by reference all terms of the Uniform Commercial Code as adopted in the State of Connecticut providing any protection to Purchaser including but not limited to all warranty protection (express or implied) and all of Purchaser’s remedies under the Uniform Commercial Code, except to the extent that such protection, warranty or remedy is agreed upon hereunder. This Terms and Conditions will be deemed accepted by Seller by: (i) written confirmation by Seller; (ii) electronic acknowledgement (including an acknowledgement through Purchaser’s electronic procurement program); (iii) not being rejected by Seller, in writing, within fourteen (14) calendar days after receipt by Seller; or (iv) Seller undertaking to provide the materials, services or work.

3. Price and Payment. Purchaser shall pay the purchase price with a three percent (3%) cash discount within twenty-one (21) days, counted from the delivery and receipt of the invoice, or net within sixty (60) days following receipt of the invoice, as set forth on Purchaser's purchase order. Unless the face of Purchaser's purchase order states to the contrary, all prices are (a) firm and not subject to increase or additional charges; (b) in U.S. dollars; and (c) inclusive of all freight, duty and taxes other than sales or use taxes Seller is required by law to collect from Purchaser. Sales or use taxes shall not be included in Seller's invoice if Purchaser indicates that the Products or Services are exempt from such taxes. Applicable taxes shall be separately stated on Seller's invoice. If at any time during the term of the purchase order, Purchaser receives from another source an offer to supply Products or Services of like quality to that offered by Seller at a price which results in a price lower than the delivered price then in effect hereunder ("**Favorable Prices**"), Purchaser may request Seller to meet such competitive offer. If within five (5) working days after the date of Purchaser's request Seller shall not have agreed to meet the competitive offer, Purchaser, at its option, may purchase the Products or Services from the competitive source and the quantity so purchased shall be deducted from the purchase order.

4. Termination at Purchaser's Option. Purchaser may terminate a purchase order at any time without cause in whole or in part upon thirty (30) days' written notice thereof to Seller, whereupon Seller will stop work on the date and to the extent specified in such notice and terminate all orders and subcontracts that relate to the terminated purchase order. If work is terminated in accordance herewith: (a) except to the extent termination arises from any act, omission, default of Seller, or pursuant to Section 26 below, Seller shall be reimbursed for Seller's actual direct net costs and expenses incurred as a result of termination which shall be subject to audit by Purchaser; and (b) SELLER SHALL HAVE NO FURTHER CLAIM AGAINST PURCHASER FOR DAMAGE OR LOSS RESULTING FROM SUCH TERMINATION INCLUDING LOSS OF PROFIT OR BUSINESS OPPORTUNITY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

5. Changes. Purchaser may, on not less than thirty (30) days' advance notice to Seller, make reasonable changes to any purchase order, including, but not limited to, changes in the quantity, delivery time or place, shipping or packing method, or any drawings, specifications or designs. If such a change causes a material increase or decrease in Seller's cost to produce, or the time required for performance of the purchase order, Seller shall notify Purchaser within ten (10) days of receipt of Purchaser's change request. No change shall be binding on Seller or Purchaser unless agreed in writing by an authorized representative of the party against whom the change is asserted.

6. Purchaser's Property. Any design, pattern, tool, die, jig, fixture, drawing, or test equipment, heretofore and hereafter furnished to Seller by Purchaser in connection with this order, shall remain Purchaser's Property, shall be returned upon completion of order, and shall not be used in the manufacture of any article other than for Purchaser. Tools, dies, jigs, fixtures and test equipment, the costs of which have been included in computing the price specified on the face hereof, or for which Purchaser is to pay Seller as a separate item as indicated on the face hereof shall, upon such payment, become the property of Purchaser, and shall be marked as directed, and held for delivery to Purchaser.

7. Warranties. Seller represents and warrants with respect to the Products and Services that: (a) Seller has clear title, free of all liens and encumbrances; (b) there are no claims of third parties of any nature whatsoever arising out of or related to the Products or Services; (c) the

Products are new and conform in all material respects to the description on the face of purchase order, and with the specifications, drawings, samples, designs, prototypes or other descriptions furnished to or by Seller, and shall be merchantable, of good quality and workmanship, free from defects in material and workmanship, and shall be fit for the purpose for which the Purchaser requires them; (d) Products of Seller's design will be free from defects in design; (e) Seller and its personnel will perform the Services exercising the standards of diligence, skill and care normally exercised by similarly qualified and competent persons in the performance of comparable work in accordance with best industry practices; and (f) the Services will conform in all respects to the specifications and requirements of the Agreement. Upon notice by Purchaser of any defect or failure, Seller shall re-perform or otherwise correct any non-compliant Services and repair or replace any non-compliant Products. If Seller fails to make the necessary repair, replacement, re-performance or correction within a commercially reasonable time, Purchaser may perform or cause to be performed such repair, replacement, re-performance or correction at Seller's risk and cost and any costs and expenses incurred by Purchaser shall be recoverable from Seller as a debt due and payable. These warranties extend to Purchaser, its successors, assigns, customers and users of its Products. Seller's warranties shall survive inspection, acceptance and payment. THE REMEDIES SET FORTH HEREIN ARE THE SOLE AND EXCLUSIVE REMEDIES AVAILABLE FOR BREACH OF WARRANTY BY SELLER HEREUNDER AND SHALL BE IN LIEU OF ANY OTHER WARRANTIES OF SELLER, WHETHER EXPRESS, STATUTORY OR IMPLIED. NOTWITHSTANDING ANY OTHER TERM SET FORTH HEREIN, UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY DAMAGES IN EXCESS OF THE AGGREGATE PURCHASE PRICE OF ALL PRODUCTS PAID FOR HEREUNDER.

8. Intellectual Property Infringement. Unless the Products ordered are of designs furnished by Purchaser, Seller warrants that the manufacture, production, labeling packaging, shipment, sale and use of the Products ordered does not and will not infringe or violate any patent rights, trademarks, service marks or copyright; and Seller will defend and hold the Purchaser harmless from all claims and actions alleging infringement of any such rights and will indemnify the Purchaser against all liability, expense and fines resulting from any such infringement claim. For any alleged or actual Infringement, Seller shall, at Seller's expense, obtain for Purchaser a perpetual, royalty-free license with respect to such item, or shall replace or modify the item in a manner satisfactory to Purchaser, so as to avoid the Infringement without any degradation in performance. Seller's obligation shall apply even if Purchaser furnishes a portion of the design or specifications.

9. Compliance with Laws. Seller represents and warrants that the Products ordered will be manufactured, produced, furnished and delivered in compliance with all applicable federal, state, local and international laws, regulations, ordinances, executive orders, rules, orders, standards, conventions, directives and treatises, including, but not limited to, those relating to: (a) design, manufacture, transportation, sales, advertising, branding, distribution, exportation, importation, labeling, packaging, decoration, certification and approval of the Products or Services; and (b) employment discrimination, hours and conditions of employment, occupational health and safety, wages, environmental matters, product safety, corrupt or deceptive practices, boycotts, antitrust, consumer products or government subcontracting. From time to time, upon Purchaser's request, Seller shall certify Seller's compliance with the foregoing.

10. Insurance. Seller shall indemnify and hold Purchaser harmless from and against all claims, liabilities and actions alleging any defect in the goods or any injury or death arising out of the use of the goods, including strict liability claims under any statute or common law principle

relating to product liability. Seller shall maintain adequate insurance to protect Purchaser under this clause and will furnish Purchaser with certificate of such insurance upon request.

11. LIMITATION OF LIABILITY. PURCHASER SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THE AGREEMENT, INCLUDING ANY TERMINATION, REJECTION OR REVOCATION OF ACCEPTANCE OF ALL OR ANY PART OF THE PURCHASE ORDER OR ANY PRODUCT OR SERVICES. IN NO EVENT SHALL PURCHASER'S LIABILITY HEREUNDER EXCEED THE PURCHASE PRICE OF THE PURCHASER ORDER GIVING RISE TO THE CLAIM OR ACTION.

12. Confidentiality. Purchaser may disclose confidential or proprietary information ("**Confidential Information**") to Seller under the Agreement. Seller agrees to treat all Confidential Information furnished by Purchaser in connection with the Agreement as strictly confidential, except, upon the Purchaser's written consent, drawings may be furnished to Seller's vendors for ordering parts. Seller agrees that (a) Seller will not to disclose Confidential Information to any third party; and (b) Seller will use such information only as is necessary to perform its obligations under the Agreement. Upon the expiration or termination of the Agreement for any reason, Seller will promptly return to Purchaser all Confidential Information.

13. Nondisclosures. Seller agrees to limit its internal distribution of Confidential Information to its employees who have a need to know such Confidential Information, and to take steps to ensure that the dissemination is so limited, including the execution by Seller's employees of nondisclosure agreements with provisions no less restrictive to those set forth herein. In no event will Seller use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care, to prevent the unauthorized use or disclosure of the Confidential Information. Seller further agrees not to use the Confidential Information except in the course of performing under the Agreement and will not use the Confidential Information for the benefit of anyone other than Purchaser. Materials made or supplied in accordance with drawings or specifications applicable to the materials ordered hereunder shall not be supplied to anyone other than Purchaser without the written permission of Purchaser.

14. Indemnity. Seller shall defend, indemnify and hold Purchaser, its affiliates and their respective directors, officers, employees, customers, agents, contractors, successors and assigns harmless from and against any and all claims, liabilities, losses, damages, actions and expenses (including reasonable attorneys' fees) in connection with, arising out of, or relating to any breach, act or omission of Seller hereunder.

15. Works. In the event that Seller is required to produce for Purchaser, inventions, original works of authorship or Products using Purchaser's trade secrets, trademarks, trade names, logos or other proprietary information, Seller agrees that all such inventions, works and Products (collectively, the "**Works**") which are, in whole or in part, conceived or made by Seller pursuant to the purchase order shall be deemed "works made for hire" and shall belong exclusively to Purchaser. Seller hereby irrevocably assigns and transfers to Purchaser all rights, title and interests, of every kind and character, which Seller has in the Works and agrees to take all actions that Purchaser may reasonably request in order to vest in Purchaser such title to the Works. This obligation shall survive any expiration or termination of any purchase order or these Terms and Conditions.

16. Time Of The Essence. Purchaser reserves the right to cancel the purchase order, or any part thereof, if delivery is not made within the time specified in the purchase order or if Products or Services furnished does not meet specifications called for by the purchase order, unless such delay or specification change is agreed to in writing.

17. Quantities. Products shipped must not be in excess of specified quantities for specified dates. Overshipments of Products may, at Purchaser's option, be returned to Seller, which return shall be at Seller's expense.

18. Packing. All Products are to be packed in suitable containers for protection in shipment and storage. A packing slip describing the contents and purchase order number must accompany all shipments. No charge is allowed for boxing, packing or crating, unless agreed to by Purchaser in writing in advance.

19. Routing. When no routing is specified, Seller shall forward by the most direct and cheapest route.

20. Prices. If prices are higher than specified in the purchase order, Seller shall not ship the Products and shall instead advise Purchaser of the higher price. If price is omitted on the purchase order, it is agreed that Seller's price will be the lowest market price. If price is included on the purchase order, the price stated includes all applicable Federal Excise Tax imposed upon Products furnished pursuant to the purchase order.

21. Delivery.

(a) Delivery Location. All Products shall be delivered to the address specified in the purchase order (the "**Delivery Location**") during Purchaser's normal business hours or as otherwise instructed by Purchaser.

(b) Shipping Terms. Delivery shall be made in accordance with the terms on the face of the purchase order. Seller shall give written notice of shipment to Purchaser when the Products are delivered to a carrier for transportation. Seller shall provide Purchaser all shipping documents, including the commercial invoice, packing list, air waybill/bill of lading and any other documents necessary to release the Products to Purchaser within fifteen (15) business days after Seller delivers the Products to the transportation carrier. The purchase order number must appear on all shipping documents, shipping labels, bills of lading, air waybills, invoices, correspondence and any other documents pertaining to the purchase order.

(c) Title and Risk of Loss. Title passes to Purchaser upon delivery of the Products to the Delivery Location. Seller bears all risk of loss or damage to the Products until delivery of the Products to the Delivery Location.

(d) Acceptance. Acceptance of the Products will be subject to the Purchaser's inspection on arrival, regardless of whether prior payments have been made by Purchase to Seller to obtain a discount. Defective Products will be returned at Seller's expense and Purchaser will be entitled to a credit for such defective Products. The Seller agrees to immediately replace defective Products so returned if the Purchaser shall require, but the Purchaser shall not be required to order or take replacements from Seller.

22. Emergency Response. In the event of a release to the environment resulting from Seller activity on Purchaser property, Purchaser will arrange for emergency response services to mitigate damage to the environment ("**Emergency Response**"). Seller will reimburse Purchaser for all Emergency Response and reporting costs incurred to contain, remove or dispose of the released materials in compliance with applicable regulations, and to restore affected areas to their prior condition.

23. No Assignment. The purchase order shall not be assigned, transferred or delegated by Seller without the prior written consent of Purchaser.

24. Equal Opportunity Clause. The equal opportunity clauses set forth in 41 C.F.R. parts 60-1.4, 60-250.4 and 60-741.4 are incorporated herein by reference.

25. Independent Contractor. Seller is an independent contractor and will not act as, or be regarded as, a partner, co-venturer, representative, agent or employee of Purchaser, and Seller and its personnel will not be entitled to any benefits which accrue to any employee of Purchaser by virtue of such person's status as an employee.

26. Force Majeure. Neither party shall be liable to the other party for failure to perform obligations under the Agreement due to an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (individually a "**Force Majeure Event**" and collectively, "**Force Majeure Events**"). Force Majeure Events include, but are not limited to: acts of God or the public enemy, government restrictions or regulations, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strike, embargoes or industrial disturbances, national emergencies, insurrection, shortage of supplies or inability to obtain raw materials. Seller's economic hardship or changes in market conditions are not considered Force Majeure Events. A party affected by a Force Majeure Event shall give prompt notice to the other party, specifying the nature of the Force Majeure Event and the expected delay in performance. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the purchase order. If a Force Majeure Event prevents Seller from carrying out its obligations under the purchase order for a continuous period of more than ninety (90) business days, Purchaser may terminate the purchase order immediately by giving written notice to Seller.

27. Severability. In the event any provision of the Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired hereby. The parties agree to replace any invalid provision with a valid provision, which most closely approximates the intent and economic effect of the invalid provision.

28. Remedies, Waiver. A waiver of any default hereunder or of any term or condition of the Agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed. The rights and remedies reserved to Purchaser are cumulative and in addition to any other or further rights and remedies available at law or in equity.

29. Governing Law. This contract shall be governed in accordance with the internal laws of the State of Connecticut, in the United States, without regard to its conflicts of laws principles. The

parties agree that the 1980 United Nations Convention on Contracts for the International Sale of Goods will not apply. Any legal suit, action or proceeding arising out of or relating to the Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of Connecticut in each case located in the Windsor and Hartford County, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.