



General Terms and Conditions for Sourcing of Direct Materials

The Husqvarna Group is a producer of outdoor power equipment, irrigation products, and diamond-blade products for use by end-users (collectively, "End-Goods"). Supplier is a manufacturer of those products specified on the Purchase Order in which these terms and conditions are referenced and/or incorporated (collectively, the "Products"), which may be used by Husqvarna as production components in and/or raw material for certain End-Goods.

1. ACCEPTANCE AND ENTIRE AGREEMENT. Any acceptance of a Purchase Order in which these terms and conditions are referenced and/or incorporated is limited to acceptance of the express terms and conditions contained therein and these terms and conditions, but, if for any reason Supplier should fail to confirm acceptance in writing, the commencement of any work or any deliveries thereunder by Supplier shall constitute acceptance by Supplier of such Purchase Order and these terms and conditions. The terms and conditions set out herein shall prevail over any other terms and conditions communicated by Supplier or contained in any of Supplier's documentation, regardless of whether delivered before, after or at the same time as the Purchase Order in which these terms and conditions are referenced and/or incorporated. Unless otherwise expressly agreed in writing between Husqvarna and Supplier, the Purchase Order, these terms and conditions and any documents referred to on the face thereof, constitute the entire agreement between the parties and any other terms and conditions are hereby explicitly rejected. The Purchase Order in which these terms and conditions are referenced and/or incorporated, these terms and conditions and any documents referred to on the face thereof shall together hereinafter be referred to as the "**Purchase Order**".

2. PRICES. Prices stated in the Purchase Order apply to all shipments made thereunder. Husqvarna shall have no obligation to honor invoices for Products at any increased price unless and until such increase have been specifically confirmed in writing by Husqvarna. Unless otherwise specified, the prices on the Purchase Order are inclusive of any and all costs and fees, including but not limited to packaging, duties, freight and insurance of the Products up to the applicable delivery point (delivery point decided by the applicable trade term (INCOTERM) set forth in the Purchase Order; if no trade term (INCOTERM) is otherwise set forth in the Purchase Order, trade term DDP (Incoterms 2010) shall apply). Notwithstanding any INCOTERM, title to the Products shall not pass to Husqvarna until Husqvarna receives the Products into its inventory. Discount terms shall be shown on the face of each invoice. Unless otherwise specified, the Purchase Order and all provisions of these terms and conditions must be fully performed and complied with before payment by Husqvarna shall become due. Unless freight, taxes or other charges that Husqvarna has agreed to pay are itemized, any discount will be taken on the full amount of the invoice. Payment for Products delivered hereunder shall not constitute acceptance by Husqvarna of the Products. In the event an invoice is contested by Husqvarna in good faith due to defective or incomplete deliveries or similar matters, Husqvarna has the right to retain payment until proper performance, without losing the benefit of any discounts or similar price reductions, and such payment retention shall not constitute a breach of these terms and conditions. Unless otherwise stated on the Purchase Order or stipulated by mandatory law, payment terms shall be sixty (60) days from the date of invoice, although no invoice may be delivered to Husqvarna or predated until all deliveries of Products and other obligations of Supplier under the Purchase Order have been fully performed.

3. TAXES. Unless otherwise indicated, the prices set forth in the Purchase Order do not include applicable national, federal, provincial, state, local or other applicable taxes. All such taxes shall be stated separately on Supplier's invoice. The prices stated on the Purchase Order do not, nor will any invoice of Supplier, include any tax with respect to which an exemption is available or is indicated by Husqvarna in the Purchase Order or otherwise, or any excise or other tax with respect to which Husqvarna has furnished Supplier an exemption certificate. Supplier agrees to pay any and all personal property ad valorem, or value added, taxes assessed or otherwise levied against any property placed in the hands of Supplier by Husqvarna for the purpose of fulfilling the Purchase Order. In case it shall ever be determined that any tax included in the prices in the Purchase Order was not required to be paid by Husqvarna, Supplier agrees to notify Husqvarna promptly and to make prompt application for the refund thereof, and to take all steps to procure the same and when received to pay the same, including interest according to applicable law, if any, to Husqvarna.

4. DELIVERY AND DELAY. The obligation of Supplier to meet the lead times, delivery dates, specifications and quantities as set forth in the Purchase Order is of the essence. A delivery is to be made both in the quantities and at the times specified in the Purchase Order, or if no such quantities or times are specified, pursuant to Husqvarna's written instructions. Supplier may not divide the delivery in partial deliveries for whatever reason without Husqvarna's prior written consent. If any delivery by Supplier fails to meet any specified or instructed delivery time, Husqvarna, without limiting its other rights or remedies, may charge Supplier for expedited routing and/or any other excess costs incurred thereby. For each late or non-conforming delivery, Husqvarna may also assess a onetime Administrative Fee, plus the per-hour Down-time/Disturbance and the per-hour sorting/rework charges set forth in the then-current Administrative Fee & Hourly Charge-Back Chart for the applicable Husqvarna factory, as found at <http://corporate.husqvarna.com/purchase/en/supplier-administrative-fees-charge-backs> (which is hereby incorporated in the Purchase Order by reference). The Products shall be packaged, labeled and bar-coded in accordance with such reasonable instructions as may be provided by Husqvarna from time to time. Supplier shall include such "certificate of origin" documentation as is required by law, or as otherwise be reasonably requested by Husqvarna. Husqvarna's rights in this Section 4 are in addition to, and not in limitation of, the rights set out under Section 16 below ("Supplier's Indemnification"). Products which are delivered in advance of schedule are delivered

at the risk of Supplier and payment therefor may be withheld by Husqvarna until the date when payment for such Products would have been due had such Products been delivered on the scheduled date for delivery.

5. BLANKET PURCHASE ORDER. If the Purchase Order is for purchase of a stated quantity of Products, Husqvarna shall not be obligated to purchase any additional quantity of Products. In the case of a Blanket Order: (a) Husqvarna shall not have any obligation to purchase any Products; (b) Husqvarna shall not be bound by any forecast given in or under any Blanket Purchase Order (whether through a web-portal, business to business systems or separately in writing) as any forecast shall be considered "for information purposes only"; and (c) Supplier agrees to furnish Husqvarna's requirements for the Products covered by any Blanket Purchase Order to the extent of and in accordance with any firm order or firm delivery schedule set forth in the Purchase Order or as communicated separately by Husqvarna (through written electronic communication or otherwise in writing). Husqvarna shall always be entitled to make unlimited purchases from third party suppliers at its discretion (e.g. for similar or equivalent products to the Products) and thereby maintain alternative sources of supply. Husqvarna shall not be liable for Supplier's commitments or production arrangements in excess of what is set out herein or as otherwise agreed upon in writing with Husqvarna.

6. WARRANTY. Supplier warrants that all Products ordered or delivered hereunder shall (a) conform in all respects to the latest Product specifications and Product samples approved by Husqvarna; (b) be of merchantable quality and free from any defects in material, design and workmanship; (c) be suitable and sufficient for the purposes for which they are intended; (d) be properly and adequately packaged, marked and labeled in compliance with relevant laws, standards and regulations and as per Husqvarna's instructions; (e) comply with all applicable laws and regulations (both in the country where the Products were manufactured and where the Products are intended to be used); (f) comply with all applicable industry standards; (g) be free from any lien and any encumbrance or rightful claim of any third party, including any claim for infringement of the intellectual property rights of a third party (and Supplier hereby waives any right it may have as of the date hereof or in the future to assert any mechanic's lien or other interest or encumbrance in or with respect to the Products supplied under the Purchase Order); and (h) not infringe any intellectual property rights of any third party. These warranties, which shall be in addition to all warranties implied by law, shall survive delivery, acceptance and inspection of, and payment for, all or any part of the Products, and shall extend to Husqvarna and its subsidiaries and affiliates, their successors and assigns and to the sub-suppliers, customers, distributors, dealers and agents of any of them and to the users and consumers of the End-Products. The warranties under foregoing clauses (a), (b), (c) and (d) shall survive for a warranty period consisting of 24 months following delivery to the end-user of the applicable End-Good (incorporating the Product sold hereunder). All other warranties shall survive indefinitely. Neither the exercise by Husqvarna of its right to inspect and test the Products nor the failure of Husqvarna to exercise such right shall relieve Supplier from any of its obligations or warranties hereunder or limit or impair any right or remedy of Husqvarna.

7. NON-CONFORMING PRODUCTS. Any Product which fails to conform to the provisions of the Purchase Order (including, without limitation, Supplier's express or implied warranties) (collectively called "**Non-Conforming Products**"), may be rejected, even if previously accepted. Husqvarna's approval of sample, receipt of Product and payment therefore, or any of them, shall in no event constitute an acceptance of the Product and shall not limit or impair Husqvarna's right to inspect and, reject the Product or any other remedies to which Husqvarna may be entitled hereunder or under applicable law, nor shall any of the foregoing relieve Supplier of any of its obligations and warranties under the Purchase Order. Non-Conforming Products may be held or returned to Supplier, at Husqvarna's election, at Supplier's expense and risk, for (i) credit or full refund of the price of the affected Product; or (ii) at Husqvarna's election, prompt replacement of conforming Product; however, failure to hold or return Non-Conforming Products shall not invalidate this Section. Supplier shall indemnify Husqvarna for all expenses caused by Non-Conforming Products including but not limited to expenses for unpacking, examining, sorting, re-working, re-packing, storing and re-shipping any Non-Conforming Products. Husqvarna may at its own discretion, without limiting its other rights and remedies, make repairs to the Non-Conforming Products and charge Supplier for Husqvarna's actual labor cost of those repairs, plus factory overhead, and may also charge Supplier for any other incidental or consequential damages suffered by Husqvarna as a result of the Non-Conforming Products. For each Non-Conforming Products delivery, Husqvarna may also assess a onetime Administrative Fee, plus the per-hour Down-time/Disturbance and the per-hour sorting/rework charges set forth in the then-current Administrative Fee & Hourly Charge-Back Chart for the applicable Husqvarna factory, as found at <http://corporate.husqvarna.com/purchase/en/supplier-administrative-fees-charge-backs> (which is hereby incorporated in the Purchase Order by reference). The rights in this Section 7 are in addition to, and not limitation of, the rights set out below in Section 16 below ("Supplier's Indemnification").

8. EPIDEMIC FAILURE. In the event of an Epidemic Failure (as defined below), Husqvarna shall be entitled to return to Supplier, for a full refund, all of the Products to which such Epidemic Failure relates or which are affected by such Epidemic Failure without having to prove that each of such returned Products has the underlying defect. Supplier shall also indemnify Husqvarna for all costs and expenses incurred by Husqvarna related to such Epidemic Failure. As used herein, "**Epidemic Failure**" means faults or other defects in design of, material in or manufacture of a Product occurring at an excessive rate above five hundred parts per million (500 ppm) with the same component or for the same reason, measured on a monthly or batch basis (as reasonably determined by Husqvarna).

9. PRODUCT RECALL. In the event that any Product supplied under the Purchase Order is found by either Husqvarna or Supplier, or any governmental agency having jurisdiction, or a customer to Husqvarna, to contain a defect or a product safety issue or not to be in compliance with the Purchase Order or any national, federal, provincial, state or other applicable law (including, but not limited to, the provisions of the U.S. Consumer Product Safety Act, the EU Product Safety Directive or a successor or comparable law) or rules or regulations in effect as of the date of manufacture so as to require or make advisable (in Husqvarna's reasonable judgment) that such Products (or End-Good into which any such Product is incorporated) be recalled, Supplier shall indemnify Husqvarna for all costs and expenses incurred by Husqvarna related to such recall. If and as requested, Supplier shall ensure that any Product provided under the Purchase Order is permanently marked so that they can be readily identified as Supplier's Product.

10. COMPLIANCE WITH LAWS. Supplier represents and warrants that no law, rule, regulation or ordinance of any national, federal, provincial, state, local or other government, or any governmental agency with jurisdiction over the Products sold hereunder, has been violated in the manufacture or sale of the Products covered by the Purchase Order and will indemnify and hold Husqvarna harmless from any loss, cost or damage as a result of any such actual or alleged violation. Supplier shall, if applicable, comply with all laws requiring Supplier to provide information concerning hazardous substances. Supplier shall, upon request, promptly provide such certifications and/or

information related to any Product sold hereunder, their manufacturing and content, as may be reasonably requested by Husqvarna.

11. OPERATING PERMITS. Supplier represents that it has obtained all licenses and permits necessary to operate its business and to produce any Product covered by the Purchase Order. Supplier shall ensure compliance with all relevant licenses, permits and legal requirements in force from time to time, including such related to packaging and waste disposal. Supplier shall promptly notify Husqvarna upon discovering or having reason to believe that its business or any Product fails to comply with any such licenses, permits or legal requirements.

12. CODE OF CONDUCT. Supplier shall adhere to and act in accordance with Husqvarna's Code of Conduct, as found at http://corporate.husqvarna.com/code_of_conduct, which is hereby incorporated in the Purchase Order by reference. The requirements on Supplier under Husqvarna's Code of Conduct are further detailed in Husqvarna's Supplier Code of Business Ethics, as found at <http://corporate.husqvarna.com/purchase/en/sustainability-requirements>, which is hereby incorporated in the Purchase Order by reference. In the event it is alleged that Supplier is in contravention or breach of any of the requirements in the Code of Conduct or the Supplier Code of Business Ethics, Supplier shall upon request provide Husqvarna with all relevant information, including an action plan setting out corrective actions (if necessary) to be carried out by Supplier in order to cure a breach of the Code of Conduct or the Supplier Code of Business Ethics, to be received by Husqvarna within five (5) business days from Husqvarna giving Supplier notice thereof. Supplier shall indemnify Husqvarna for all costs and expenses incurred by Husqvarna related to any failure by Supplier to comply with Code of Conduct or the Supplier Code of Business Ethics.

13. RESTRICTED MATERIALS LIST. Supplier shall comply with any obligations to provide information to Husqvarna set forth in Husqvarna's Restricted Materials List, as found at <http://corporate.husqvarna.com/purchase/en/restricted-material-list-rml> (as updated from time to time), which is hereby incorporated in the Purchase Order by reference, and further warrants that none of the Products (nor any of their packaging) will contain any substances in excess of the permitted limits stated in the Husqvarna Restricted Materials List (as applicable). Supplier shall indemnify Husqvarna for all costs and expenses incurred by Husqvarna related to any failure by Supplier to comply with the warranty set out herein.

14. CONFLICT MINERALS. Supplier warrants that any Conflict Minerals (as defined below) present in any Product or Husqvarna Tool (if any) does not origin from restricted sources (as stipulated under legal requirements in force from time to time) in regions of conflict. Conflict minerals are certain raw materials sourced from areas identified as conflict regions, in each case as identified and stipulated under legal requirements in force from time to time ("Conflict Minerals"). For the purposes of making such warranty, Supplier shall use due diligence protocols, standards, procedures and the best practices developed by relevant industry. Husqvarna Conflict Mineral Compliance Statement is available at <http://corporate.husqvarna.com/purchase/en/conflict-minerals> (as updated from time to time), which is hereby incorporated in the Purchase Order by reference. Supplier shall indemnify Husqvarna for all costs and expenses incurred by Husqvarna related to any failure by Supplier to comply with the warranty set forth in this Section 14.

15. CERTIFICATIONS. Supplier shall (i) upon request, promptly provide such certifications, declarations, documentation and/or information related to (a) the Product's content; and (b) the source of the Products and/or any raw materials included in the Products, as Husqvarna may reasonably request from time to time; (ii) promptly notify Husqvarna upon discovering or having reason to believe that any Products fail to comply with the warranties in Sections 13 ("Restricted Materials List") and 14 ("Conflict Minerals"); (iii) ensure that relevant traceability data in relation to the warranties in Sections 13 and 14 is recorded and maintained for ten (10) years from creation; and (iv) ensure that its applicable sub-suppliers comply with the requirements set out in in Sections 11 ("Operating Permits"), 13 and 14.

16. SUPPLIER'S INDEMNIFICATION. Without limiting Husqvarna's other rights and remedies under the Purchase Order or under applicable law, Supplier shall defend, indemnify, and hold Husqvarna, its affiliates, employees, agents, and customers (collectively "Indemnified Party") harmless from and against all damages, losses, costs, claims and expenses (including attorney's fees, collectively, "Losses") arising out of (i) any death, bodily injury, property damage or any other type of damage or injury, by whomever suffered, caused or alleged to be caused by any Product; or (ii) any death, bodily injury, property damage or any other type of damage or injury, suffered by any of Supplier's employees, personnel, representatives or agents while on site at any Husqvarna owned or leased location; or (iii) any breach of Supplier's obligations, representations or warranties under these terms and conditions (including product warranties and any late or faulty delivery); or (iv) any negligent act or omission or willful misconduct of Supplier or any of Supplier's employees, personnel, representatives or agents; provided, that: (a) Supplier shall not be liable for any Losses to the extent shown to have been caused by any negligent or willful misconduct of Husqvarna or other Indemnified Party; (b) Husqvarna shall promptly notify Supplier of any third-party claim that is expected to give rise to any Losses (it being agreed that the failure to provide such notice, shall only relieve Supplier of liability to the extent Supplier is actually prejudiced); and (c) in the case of any Losses not involving a third-party claim, Husqvarna shall afford Supplier a reasonable opportunity to meet and discuss such matter to ensure that the facts are correctly understood, and with the goal of reaching a prompt mutual agreement on whether the claimed Losses are valid and reasonable under the circumstances. This indemnification shall be in addition to any warranty or other obligations of Supplier. In addition, Supplier agrees to indemnify and hold harmless Husqvarna and anyone selling or using any of Husqvarna's End-Goods against all judgments, decrees, costs and expenses resulting from any alleged infringement by any Product of any intellectual property rights of any third party, and Supplier further agrees that, upon request of Husqvarna and at Supplier's own expense, Supplier will defend or assist in the defense of any of Husqvarna's End-Goods by reason of any such alleged infringement.

17. LEGAL PROCEEDINGS. Husqvarna shall control all legal actions and defense activities arising from any product liability claim, as well as any recall related to any Product (or any End-Good into which any Product hereunder is incorporated). If requested, Supplier shall reasonably assist in such actions or defense at Supplier's own cost and expense.

18. PREAPPROVAL AND CHANGES. Before the first delivery of any Product under the Purchase Order, an agreed number of samples of the Product, all drawings and/or other technical data related thereto, shall be delivered to Husqvarna for pre-approval in accordance with Husqvarna's global Quality Assurance Process (QAP), as found at <http://corporate.husqvarna.com/purchase/en/quality-assurance-process>, (as updated from time to time), which is hereby incorporated in the Purchase Order by reference, or as otherwise reasonably instructed by Husqvarna in writing. Following Product approval, Supplier shall not change its production technique, location, materials used, or sub-suppliers, without Husqvarna's prior written approval.

19. QUALITY; PRODUCTION. Supplier represents that it has (i) obtained quality management system certificates, such as ISO 9001 or ISO/TS 16949 certificates, applicable to deliveries under the Purchase Order; (ii) an environmental management system such as ISO 14001; and (iii) implemented, establish and maintains suitable procedures for handling applicable environmental, health and safety and fire prevention aspects and requirements, including legal requirements. Husqvarna shall have the right to perform audit(s) of Supplier, and Supplier undertakes to remedy, in a timely fashion, any material deficiencies thereby identified. Supplier shall continuously measure and follow up quality and delivery reliability with a goal of zero defects and 100% on time delivery. Supplier shall continuously measure and follow up environmental, health and safety aspects and incorporate a process of continual improvements.

20. INTELLECTUAL PROPERTY; LICENSE. Each party shall retain full rights in and to any and all of its intellectual property rights, know-how and related rights ("IPR") and unless otherwise specified herein nothing in the Purchase Order shall be construed as an implied license to any such rights of the other party. In the event that Supplier has or obtains IPR in relation to the Products, Supplier hereby automatically grants to Husqvarna and its affiliates, and the customers, distributors, dealers and agents of Husqvarna and its affiliates, as part consideration for the Purchase Order and without further cost to Husqvarna, which accepts, a royalty-free, non-exclusive, world-wide, sub-licensable, unrestricted and irrevocable right and license to (i) use in End-Goods, any and all existing and future IPR or other rights held by Supplier in the Products, or developments thereof; (ii) use, sell, manufacture and cause to be manufactured products embodying any and all inventions and discoveries made, conceived or actually reduced to practice in connection with the performance of the Purchase Order; and (iii) repair, rebuild or relocate and to have repaired, rebuilt or relocated any Product purchased by Husqvarna under the Purchase Order. Except for the purpose of fulfilling its supply obligations under the Purchase Order, Supplier may not during the term of fulfillment of its obligations under the Purchase Order or thereafter, make use of any Husqvarna IPR, whether in connection to marketing or otherwise and may, furthermore, not refer to Husqvarna as a customer.

21. TOOLING. Unless otherwise agreed in writing, all materials, drawings, tools, dies, jigs, gauges, fixtures, patterns, molds, autocad, cadcam, or other computer assisted design, testing apparatus, machinery and equipment, together with all other manufacturing aids (hereinafter collectively called "**Tooling**") used in the manufacture of any Product ordered hereunder shall be furnished by and at the expense of Supplier. In the event any Tooling is furnished by Husqvarna at its expense or is furnished by Supplier and the cost thereof paid by Husqvarna, such Tooling and any related documentation (hereinafter collectively called "**Husqvarna Tools**") shall be and remain Husqvarna's sole property and for Husqvarna's sole use and shall be subject to removal at any time at the option of Husqvarna. Supplier shall bi-annually report performed or planned maintenance of Husqvarna Tools and shall upon request provide any other information requested by Husqvarna regarding such tools or other tools used by Supplier when manufacturing the Products. Supplier agrees, at its expense, to maintain in commercially usable condition and in good order and repair, appropriately identify, mark where necessary, inventory, preserve and store all Husqvarna Tools for such period of time after performance or termination of the Purchase Order as agreed upon by Husqvarna and Supplier. Any and all Husqvarna Tools shall at any time be subject to reasonable inspection and examination by Husqvarna. Supplier shall not substitute any property for Husqvarna's property and shall not use said property except in filling Husqvarna's Purchase Order. Husqvarna Tools or other property, while in Supplier's custody and control, shall be held at Supplier's risk, and shall be kept insured by Supplier as set out herein. Husqvarna Tools and other Husqvarna property (including related documentation) shall be subject to removal at any time, regardless whether Husqvarna owes Supplier any sums for Products accepted but not yet paid or for any other reason, at Husqvarna's written request, in which event Supplier shall properly prepare such property for shipment and shall deliver same to Husqvarna's plant, to such other location as Husqvarna may specify in writing, or at Husqvarna's option, allow Husqvarna and its representatives access to the Supplier's premises for the purposes of removing such Husqvarna Tools and other Husqvarna property. Any Husqvarna Tools shall be returned or delivered to Husqvarna in the same condition as originally received by Supplier (or in the condition it was in when purchased or otherwise acquired by Supplier, as the case may be), reasonable wear and tear excepted. Supplier shall cooperate with and allow Husqvarna to file financing statements or take such other steps as are required under local law to preserve and protect Husqvarna's ownership interest in the Husqvarna Tools. Supplier agrees to execute Husqvarna's standard tooling agreement or gratuitous bailment agreement upon Husqvarna's request and further agrees that Husqvarna may execute on Supplier's behalf and file any financing statements or hypothecs (whether pursuant to law or otherwise) Husqvarna may wish to file to reflect the Husqvarna's interest in Husqvarna Tools, and/or the presence of Husqvarna's property on Supplier's premises.

22. SERVICE; SPARE PARTS. If applicable, Supplier shall make spare parts and/or service components for any Product (or the Product itself, in its capacity as spare part/service component) available to Husqvarna for a period of ten (10) years from the last delivery made under the Purchase Order. In the event Husqvarna purchases the Product itself as a spare part and/or service part from Supplier during the time Husqvarna is also purchasing production quantities of such Product from Supplier, Supplier shall provide the Product itself as a spare part and/or service part on the same terms as the production Products. Pricing for spare parts following the last delivery under the Purchase Order shall be on reasonable commercial terms as agreed by the parties in writing, but shall in no event exceed the price offered by Supplier to other customers purchasing the same spare parts on similar terms.

23. INSURANCE. Supplier shall, during the term of performance of the Purchase Order and for the duration of the warranties and representations provided by Supplier in the Purchase Order, at its own expense including deductibles maintain and shall upon request provide evidence in the form of a Certificate of Insurance of: (a) General and Products Liability insurance applicable worldwide written on an occurrence basis which contains contract liability coverage and covering bodily injury including death and/or property damage relating to the Product or the conduct of the Purchase Order with a minimum coverage of US\$2,000,000 per occurrence and US\$5,000,000 per year aggregate; (b) property insurance on any Husqvarna Tools at full replacement value; (c) marine cargo (transportation) insurance for the Product at full replacement cost during its transportation by Supplier in accordance with the applicable INCOTERMS set forth on the Purchase Order (Husqvarna shall be responsible for providing insurance for the Products from the point of passing of risk of the Products to Husqvarna following the specified INCOTERMS for each delivery); (d) if Supplier employees or personnel shall visit a US location owned or leased by Husqvarna, Workers' Compensation insurance covering all such Supplier employees and personnel utilized in the performance of services pursuant to the Purchase Order at such Husqvarna location with limits as required by statutory law; such insurance shall also include coverage for Employer's Liability with limits not less than \$1,000,000 each accident; (e) if US Supplier employees or personnel shall operate vehicles outside of its premises in the conduct of business for, on behalf of or associated with performance of services pursuant to the Purchase Order, Automobile

Liability insurance covering liability arising out of Supplier's use, operation and/or maintenance of any vehicle (including owned, hired, and non-owned vehicles), with limits not less than \$1,000,000 combined single limit each accident for bodily injury and property damage; and (f) all applicable policies shall be written by insurance companies qualified to do business in the applicable jurisdictions with A.M. Best ratings of "A minus VIII" or better in the latest edition of Best's Key Rating Guide or as otherwise approved by Husqvarna and shall include a waiver of subrogation in favor of Husqvarna and cause Husqvarna to be named as an additional insured. It is hereby agreed and understood that the insurance requirements set forth in the Purchase Order shall not be construed as in any manner waiving, restricting or limiting the liability of Supplier, its agents and assigns with respect to obligations imposed under the Purchase Order.

24. RISK AND TITLE. Risk of loss of any Product supplied to Husqvarna under the Purchase Order shall pass to Husqvarna in accordance with the INCOTERMS (2010) trade term referenced on the face of the Purchase Order or, if such trade term is not referenced, upon delivery to Husqvarna at Husqvarna's facility or designated warehouse. Title to all Products shall pass to Husqvarna upon receipt of the Products by Husqvarna at Husqvarna's facility. Such passing of risk and title to Husqvarna shall in no event constitute acceptance by Husqvarna of Products nor limit Husqvarna's rights or remedies set out in the Purchase Order or provided by law.

25. TERMINATION FOR CAUSE. Breach of any of the terms of the Purchase Order by Supplier, including without limitation, late or faulty delivery or otherwise unsatisfactory performance, shall be cause for cancellation and/or rejection by Husqvarna of the Purchase Order without notice, and at no expense to Husqvarna. In addition, the happening of any of the following shall also be cause for cancellation and/or rejection of the Purchase Order at no expense to Husqvarna: (i) the insolvency of Supplier; (ii) the filing of a voluntary assignment or application of bankruptcy, reorganization or wind-up; (iii) the filing of an involuntary petition to have Supplier declared bankrupt; (iv) the appointment of a receiver or trustee for Supplier; or (v) the execution by Supplier of an assignment for the benefit of creditors. Furthermore, if Husqvarna, in its sole discretion, determines that any action plan provided by Supplier under Section 12 hereof ("Code of Conduct") is not satisfactory to cure any breach of Husqvarna's Code of Conduct or Supplier Code of Business Ethics, then Husqvarna shall be entitled to terminate the Purchase Order with immediate effect at no expense to Husqvarna. In the event of any such cancellation and/or rejection of the Purchase Order, Husqvarna shall have no further obligation hereunder except with respect to conforming Products delivered to and accepted by Husqvarna prior to such cancellation and/or rejection.

26. TERMINATION WITHOUT CAUSE. Husqvarna shall have the right at any time (for any or no reason, whether or not Supplier may be in default hereunder) to cancel in whole or in part, the undelivered portion of any Product ordered under the Purchase Order by written notice to Supplier, who shall immediately upon receipt of such notice discontinue all work in respect of the cancelled portion of the Purchase Order except as may be necessary to preserve and protect the work and materials at that time in process and shall use its best efforts to cancel and terminate all then existing orders placed or entered into by Supplier which are chargeable to the cancelled portion of the Purchase Order. In the event of such termination and if Supplier is not in default under the Purchase Order, Husqvarna agrees to pay to Supplier, in addition to the stipulated price for all conforming Products which have been completed by Supplier and delivered to and accepted by Husqvarna in accordance with the terms of the Purchase Order and not previously paid for, all direct costs necessarily incurred by Supplier in connection with the cancelled portion of the Purchase Order, which payment or payments shall be in full settlement of all claims by Supplier arising out of such cancellation, provided however, in the case of a Blanket Purchase Order, Husqvarna shall pay for no more than (i) five (5) days' production of Products, five (5) additional days of work in progress and ten (10) additional days of raw materials; or (ii) such actual production of finished Products, actual work in progress and actual raw materials, whichever is less. In any such event, Husqvarna shall have the right to inspect any work done or material paid for in connection with such a claim by Supplier. The provisions of this Section shall not in any way modify the rights or remedies available to Husqvarna in the event of cancellation of the Purchase Order due to default by Supplier.

27. NON DISCLOSURE OF CONFIDENTIAL MATTER. All non-public knowledge or information which Husqvarna has disclosed or may hereafter disclose to Supplier in connection with the purchases under the Purchase Order shall be deemed to be the confidential or proprietary information of Husqvarna and shall be kept confidential by Supplier. Materials or Products purchased hereunder with Husqvarna's specifications or drawings shall not be quoted for sale to others or used in production for others without Husqvarna's written authorization. Specifications, drawings, autocad, cadcam, or other computer assisted design, samples or other data furnished by Husqvarna or any other information gained by Supplier in connection with the Purchase Order shall be treated as confidential information by Supplier, shall remain Husqvarna's property, and shall be returned to it on request. This Section shall survive the termination or expiration of the Purchase Order.

28. ELECTRONIC PROCESSING. Husqvarna and Supplier may process the Purchase Order and other related documents through electronic means including, but not limited to, websites or internet portals, either directly or through a third party provider. Husqvarna and Supplier hereby agree that the confidential codes and/or passwords they will be using to transmit information to each other will serve as any necessary "signature" that may be required by law. Supplier agrees and undertakes not to disclose these confidential codes and/or passwords, and to take all reasonable steps and safeguards to prevent their disclosure. Additional terms relating to such electronic transactions may be set forth in a separate agreement or other license agreement.

29. SET OFF. Husqvarna shall be entitled to set off any amount owing at any time from Supplier to Husqvarna or any of its affiliated companies against any amount payable at any time by Husqvarna or any of its affiliated companies to Supplier.

30. GOVERNING LAW; ARBITRATION. The Purchase Order shall be governed and construed in all respects in accordance with the substantive laws of the jurisdiction in which Husqvarna entity's address on the Purchase Order is located, except that if Husqvarna is located in the United States then the Purchase Order shall be governed by and construed in accordance with the laws of the State of North Carolina, in each case without regard to such jurisdiction's principles of conflicts of laws. It is explicitly agreed that the United Nations Convention on the International Sale of Goods shall not apply to the transactions contemplated hereby. The trade terms under the Purchase Order shall be governed and interpreted under and by INCOTERMS 2010. Any dispute or claim arising out of or in connection with the Purchase Order, shall be resolved exclusively by submitting such dispute to binding arbitration pursuant to the applicable organization, rules and location set forth below, determined by reference to where Husqvarna's address is located, or if such country is not listed, "Sweden" shall apply. The arbitration shall be conducted, and the award shall be rendered, in the English language, and the arbitrator(s) shall be required to issue a reasoned written decision with respect to any determination. The arbitrator(s) shall be empowered to award money damages but shall not be empowered to award punitive, exemplary, treble or consequential damages and

shall have no power to decide any dispute except as between the Parties to the Purchase Order. The fees of the arbitrator(s) shall be divided equally between the Parties, and, subject to any other applicable provision of the Purchase Order, each Party shall bear all of its own remaining costs of the arbitration, including attorney fees. Notwithstanding the foregoing, to the extent possible and permissible under applicable law, each party shall always be entitled to initiate proceedings with local courts and other relevant authorities in any country in order to (i) protect its intellectual property, (ii) protect its tooling, or (iii) seek immediate equitable or injunctive relief.

	Sweden	Germany	USA	Brazil	China (P.R.C.)	Japan
Location of Arbitration	Stockholm	Frankfurt am Main	Charlotte, N.C.	City of São Paulo, State of São Paulo	Beijing	Tokyo
Arbitral Organization/ Rules	Rules of the Arbitration Institute of the Stockholm Chamber of Commerce	Arbitration Rules of the German Institution of Arbitration e.V. (DIS)	American Arbitration Association ("AAA"); Commercial Arbitration Rules.	FIESP (Federation of the Industries of the State of São Paulo)	China Int'l Economic and Trade Arbitration Commission; CIETAC rules (Beijing)	Japan Commercial Arbitration Association, Commercial Arbitration Rules
	UK (United Kingdom)	Poland	Czech Republic	Norway	Italy	Belgium
Location of Arbitration	London	Warsaw	Prague	Oslo	Milan	Brussels
Arbitral Organization/ Rules	LCIA Arbitration Rules	Rules of the Court of Arbitration at the Polish Chamber of Commerce in Warsaw	Rules of Arbitration Court attached to the Czech Chamber of Commerce and Agricultural Chamber of Commerce of the Czech Republic	Rules of Arbitration and Dispute Resolution Institute of the Oslo Chamber of Commerce	The Arbitration Rules of the Chamber of Commerce of Milan	CEPANI rules of arbitration

31. MISCELLANEOUS. (a) The Purchase Order may be amended by a document signed by each of Husqvarna and Supplier; (b) the Purchase Order may not be assigned, pledged or otherwise transferred, whether by operation of law or otherwise, without the prior consent of the other party (provided, that Husqvarna may assign the Purchase Order to any other Husqvarna Group company); (c) any claims for payment by Supplier against Husqvarna shall be brought within one (1) year of the date the claim first arose, or will be barred forever, (d) the waiver by a party of any breach or violation of any provision of the Purchase Order shall not operate or be construed as a waiver of any subsequent breach or violation hereof; (e) all remedies in the Purchase Order are cumulative and without prejudice to any other remedies or claims that either party may have under applicable law; (f) in the event the Purchase Order (or any part thereof) is written in both English and a language other than English, both versions shall be equally valid; provided, that in the event of a conflict, the English version shall prevail; and (g) if any provision or any portion of any provision of the Purchase Order is held to be void or unenforceable, the remaining provisions of the Purchase Order and the remaining portion of any provision held void or unenforceable in part shall continue in full force and effect.