

GENERAL TERMS AND CONDITIONS OF PURCHASE (COMMODITY GOODS)

Clause 1 - Parties: "Buyer" means the Champion, Inc. affiliate identified on the face of the Purchase Order (as defined below). "Seller" means the party to whom the Purchase Order is submitted.

Clause 2 - Acceptance: Seller acknowledges and agrees that these Terms and Conditions are incorporated in, and are a part of, this contract and each Purchase Order, release, requisition, work order, shipping instruction, specification and other document, whether expressed in written form, by electronic data interchange or other tangible format, relating to the Materials to be provided by Seller pursuant to this contract (such documents are collectively referred to as this "Contract"). Seller acknowledges and agrees that it has read and understands these Terms and Conditions in their entirety without modification. Any additions to, changes in, modifications of, or revisions of this Contract (including these Terms and Conditions) which Seller proposes will be deemed to be rejected by Buyer except to the extent that an authorized employee of Buyer expressly agrees to accept any such proposals in writing.

Clause 3 - Product Supply:

(a) Seller shall supply the materials (the "Materials") set forth in Buyer's purchase order ("Purchase Order") upon receipt of a Purchase Order and according to the terms of this Contract and the applicable Purchase Order. Buyer has not contracted for, and Seller is not obligated to supply, any Materials unless and until a Purchase Order is issued. By executing this Contract, Seller is deemed to accept all Purchase Orders that comply with the terms and conditions contained herein. In the event of any inconsistency or ambiguity between this Contract and any Purchase Order, the Purchase Order shall prevail and control. No terms or conditions submitted by Seller that are in addition to, different from or inconsistent with this Contract, including those contained in any Seller quotation, invoice, acceptance or acknowledgement of Purchase Order or other instrument, shall be binding upon Buyer unless specifically and expressly agreed in a writing signed by a duly authorized representative of Buyer.

(b) Seller will use commercially reasonable best efforts to ensure an uninterrupted supply of the Materials to Buyer. If Seller is unable to supply the Materials in accordance with the terms of this Contract, then Buyer may cancel outstanding Purchase Orders without liability to Seller and source the Materials from a third party, including from Seller's competitors. Seller will be responsible for and will pay Buyer all incremental and increased costs associated with sourcing Materials from an alternative Seller, including supply chain cost differentials.

(c) Buyer does not guarantee any minimum level of purchases, or that it will necessarily acquire any, or all, of its requirements of the Materials from Seller. Nothing herein shall prevent Buyer from obtaining from a third party and/or independently providing Materials that are the same as or similar to the Materials provided hereunder.

Clause 4 - Payment: As consideration for the Materials, Buyer shall pay the amount specified in the applicable Purchase Order(s). Seller represents that the prices and terms for the Materials are no less favorable to Buyer than Seller currently offers to any other customer for the same or similar Materials. All invoices must reference the applicable Purchase Order number and must be submitted in duplicate. Buyer reserves the right to return all incorrect invoices. Buyer shall pay all correct invoices within sixty (60) days of the date acceptable invoices are received.

Clause 5 - Taxes: Seller shall be solely responsible for and pay any taxes or other assessments required to be paid by Seller in connection with Seller's performance under this Contract or any Purchase Order; provided, however, that if Seller is charged and required to pay any state, provincial or local sales or use taxes in connection with any transaction hereunder, Buyer will reimburse Seller for such tax unless Buyer advises Seller that an exemption applies. Seller will provide Buyer with any necessary supporting documentation to claim a reimbursement for any sales or use tax.

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Clause 6 - Shipping; Risk of Loss. Shipping instructions furnished by Buyer shall be strictly complied with and shall be considered a part of this Purchase Order. Seller shall endeavor to provide Buyer at least twenty-four (24) hours notice prior to the delivery of any Materials. Any provisions for delivery of Materials by installment shall not be construed as making the obligations of either Party severable. Risk of loss or damage shall remain with Seller until the Materials are physically delivered to Buyer in accordance with Buyer's instructions, unless otherwise agreed to in writing by Buyer.

Clause 7 – Inspection: Buyer (or Buyer's customer, including any governmental agency) shall have the right, but not the obligation, to inspect goods and services at times and places designated by Buyer before, during or after delivery or performance. If an inspection takes place at the premises of Seller or its suppliers, Seller shall provide, at Seller's expense, all reasonable facilities and assistance to such inspectors.

Clause 8 - Changes: Upon reasonable notice to Seller, Buyer shall have the right to make changes in the items, quantities or other information incorporated in this contract, methods of shipment or packing, and time of delivery. The price and delivery schedule, if any, shall adjusted if and to the extent necessary to reflect the impact of such changes, and this Contract shall be modified in writing.

Clause 9 - Confidentiality:

(a) Buyer may disclose confidential or proprietary information to Seller under this Contract. "Buyer Confidential Information" will include, but not be limited to, any business, financial, product or customer information, along with any information identified by Buyer as confidential. Seller agrees not to disclose Buyer Confidential Information to any third party and will use such information only as is necessary to perform its obligations under this Contract. Upon the expiration or termination of this Contract for any reason, Seller will promptly notify Buyer of all Buyer Confidential Information in Seller's possession and will promptly deliver to Buyer all such Buyer Confidential Information.

(b) Seller agrees not to copy, alter, decompile, disassemble, reverse engineer, or otherwise modify (except with Buyer's prior written consent) or directly or indirectly disclose any Buyer Confidential Information. Without limiting the scope of the foregoing, Seller agrees to limit its internal distribution of Buyer Confidential Information to its employees who have a need to know, and to take steps to ensure that the dissemination is so limited, including the execution by Seller's employees and agents of nondisclosure agreements with provisions substantially similar 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 Buyer Confidential Information. Seller further agrees not to use the Buyer Confidential Information except in the course of performing hereunder and will not use such Buyer Confidential Information for its own benefit or for the benefit of anyone other than Buyer. The mingling of the Buyer Confidential Information with information of Seller shall not affect the confidential nature or ownership of the same as stated hereunder. Seller agrees not to design or manufacture any Materials which incorporate Buyer Confidential Information, except at the request of Buyer.

Clause 10 - Term; Termination: Buyer may terminate this Contract upon written notice to Seller if Seller fails to perform or breaches any of Seller's obligations under this Contract, files a petition in bankruptcy, becomes insolvent, or dissolves. Additionally, Buyer may terminate this Contract for any other reason upon ten (10) days' written notice to Seller.

Clause 11 - Indemnity: Seller shall indemnify, hold harmless, and defend Buyer, its officers, directors, agents and employees, against all claims, liabilities, damages, losses and expenses, ("Liabilities") including attorneys' fees and cost of suit arising out of or in any way connected with the Materials provided under this Contract, including, without limitation, for any personal injury, illness or death to any person or damage to any property or claim or other assertion of Liabilities or potential Liabilities by any person or any other loss or damage of any

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kind whatsoever, to the extent such Liabilities are caused by, arise out of, or are connected in any way with: (a) any breach by Seller of any of Seller's obligations, covenants, undertakings, representations or warranties under this Contract or any Purchase Order; (b) any act or omission of Seller, its personnel, or its agents; (c) the Materials; and (d) any claim by a third party against Buyer alleging that any Product provided under this Contract, infringes a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination with other Materials, software or processes. Seller shall not settle any such suit or claim without Buyer's prior written approval.

Seller shall have no obligation to indemnify Liabilities that are caused solely by the negligence or willful misconduct of Buyer. Seller's indemnification obligations will not be affected by any insurance Seller is required to maintain pursuant to the terms of this Contract. Every exemption, limitation, defense, immunity, indemnity or other benefit contained in this Contract or otherwise to which Buyer is entitled will be held by Buyer to the benefit of, and will extend to protect, Buyer's directors, officers, employees, agents, contractors and subcontractors.

Clause 12 - Remedies: Without limiting any other remedy available to Buyer pursuant to this Contract, a Purchase Order or otherwise, if in the reasonable opinion of Buyer, the Materials are not in accordance with the requirements of this Contract (including, without limitation, the relevant specifications) or if Seller is otherwise in breach of any of its warranties, Seller will, at the election of Buyer, and at Seller's cost (including any relevant transportation and labor costs): (a) either replace or repair (including, if applicable, reinstall) the Product to Buyer's satisfaction; or (b) without limiting the foregoing, pay an amount of damages if claimed by Buyer, upon presentation of a reasonable itemization of costs. Such costs may be subject to reasonable audit or review by Seller with the limited purpose of verification of the particular claim. If a Product must be removed from other pieces of Buyer's equipment, Buyer may remove such Product and make it available to Seller in lieu of allowing Seller to do so, but all costs of removal, whether performed by Buyer or Seller, will be borne by Seller. If Seller states or by its actions indicates its inability or unwillingness to comply with a request to replace or repair a Product or re-perform a service, then Buyer will have the right to suspend further delivery of Materials without liability to Seller and source the Materials from a third party Seller in which event Seller will be responsible for and will pay Buyer all incremental and increased costs incurred by Buyer, including supply chain cost differentials.

Clause 13 - Insurance: Seller is solely responsible for maintaining such adequate insurance as is required by law or as is common practice in Seller's trades or businesses, whichever affords greater coverage. Upon request, Seller shall provide Buyer with certificates of insurance or evidence of coverage before commencing performance under this Contract. Seller shall provide adequate coverage for any Buyer property under the care, custody or control of Seller. The purchase of insurance will not limit or release Seller from Seller's obligations or liabilities under the Contract.

Clause 14 - Lien and Bond Waivers: Seller shall make prompt and timely payment of any debts or liabilities incurred by Seller in connection with this Contract. Seller at its sole cost shall obtain the prompt release of any bond, mechanic's or materialmen's lien or any similar lien or claim. Seller hereby waives all claims or bond rights against Buyer arising from debts and liabilities incurred by Seller in the performance of this Contract. The final payment owed to Seller by Buyer under the terms of this Contract shall be contingent on full release of any outstanding liens.

Clause 15 - Warranties: Seller represents, warrants and covenants that (a) it has good title to the Materials and the right to transfer title to the Materials free and clear of any lien, claim or other encumbrance of any kind; (b) all Materials will conform to all relevant specifications that may be provided by Buyer, and to any samples, drawings and descriptions furnished by Seller relating thereto; (c) all Materials will be new (unless otherwise specified by Buyer) and fit for their intended uses; (d) all Materials will be free from defects or faults of any kind in design, materials and workmanship for a period of the earlier of twelve (12) months from the date of first use by Buyer or eighteen (18) months from the date the Materials are received by Buyer at Buyer's delivery point; (e) all

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Materials and their use, manufacture, sale, lease, distribution, or other commercialization do not and will not infringe, misappropriate or violate the intellectual property rights of a third party. Seller will make available to Buyer (by assignment or otherwise) all manufacturers' warranties provided with respect to the Materials. All of the foregoing warranties of Seller shall survive any delivery, inspection, acceptance or payment and shall run to Buyer and/or its customers and users of the Materials.

Clause 16 - Set-Off. In addition to any right of setoff or recoupment provided by law, Buyer shall have the right at any time to set-off any amount owed by Seller, or any of its affiliates, to Buyer or any of Buyer's affiliates against any amounts due and owed to Seller under this Contract.

Clause 17 - Limitation of Liability. IN NO EVENT SHALL BUYER BE LIABLE TO SELLER OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS CONTRACT, WHETHER OR NOT Buyer WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

Clause 18 - Dispute Mitigation and Resolution:

(a) If a dispute arises out of or relates to this Contract or its breach, the Parties shall endeavor to settle the dispute through direct discussion. Within ten (10) business days, the Parties' representatives, who shall possess the necessary authority to resolve such matter and who shall record the date of first discussions, shall conduct direct discussions and make a good faith effort to resolve such dispute. Disputes between the Seller and Buyer not resolved by direct discussion shall be submitted to mediation pursuant to the Construction Industry Mediation Rules of the American Arbitration Association ("AAA"). The Parties shall select the mediator within fifteen (15) days of the request for mediation. Engaging in mediation is a condition precedent to any form of binding dispute resolution. If the matter is unresolved after submission of the matter to mediation, the dispute shall be submitted to the AAA and arbitrated using the current Construction Industry Arbitration Rules of the AAA. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

(b) The venue of any binding dispute resolution procedure shall be in Iron Mountain, Michigan unless the Parties agree on another mutually convenient location. Any court action required to enforce the terms of this binding dispute resolution procedure and/or any legal proceeding to enforce, enter judgment upon, vacate and/or modify the award shall be filed in the County of Dickinson, State of Michigan.

(c) The remedies provided Buyer herein shall be cumulative and in addition to any other remedies provided by law or equity. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach.

Clause 19 - Assignment; Waiver: Seller may not assign or transfer this Contract or any of Seller's rights or obligations under this Contract, without the prior written consent of Buyer. This Contract shall inure to the benefit of, and be binding upon, the successors and assigns of Buyer without restriction. A waiver of any default hereunder or of any term or condition of this Contract 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.

Clause 20 - Survival of Obligations: Any obligations and duties which by their nature extend beyond the expiration or termination of this Contract shall survive the expiration or termination of this Contract.

Clause 21 - Submittals; Material Safety Data Sheets: Along with the delivery of the Materials, at no additional cost, Seller shall promptly submit to Buyer any and all available manufacturer's warranties, product

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data and literature relating to such Materials. Additionally, Seller shall submit to Buyer all Material Safety Data Sheets, if applicable and as required by law, for the Materials sold to Buyer.

Clause 22 – Survival; Severability: Clauses 5, 11, 12, 14, 15 17 and 18 shall survive the termination of this Contract. In the event any provision of this Contract 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 thereby. 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.