



Standard Purchase Order Terms and Conditions

Purchase order terms and conditions for Sentry Insurance a Mutual Company ("Sentry")

1. Acceptance of purchase order. This purchase order applies to all purchases of goods and/or services by Sentry from the supplier of such goods and/or services ("Supplier"), and is expressly conditioned on Supplier's acceptance of these terms and conditions. By accepting this purchase order in any manner, shipping goods or providing services in response to this purchase order, Supplier's submission of a proposal in response to any Sentry request for information, request for quotes, or request for proposal, or Supplier's participation in a reverse auction event posted by Sentry, Supplier is agreeing to all terms and conditions contained herein. Sentry hereby objects to any additional or different terms or conditions proposed by Supplier, whether or not contained in any Supplier acknowledgment, invoice, or other business form. Any such additional or different terms and conditions shall be void and of no effect, notwithstanding receipt of goods by Sentry or payment therefor, unless specifically agreed to by Sentry in writing. This purchase order incorporates any prior specification, sample, or description of the goods provided by Supplier. Supplier acknowledges that this purchase order may be legally transmitted electronically in accordance with the Uniform Electronic Transactions Act (UETA) signed into law in Wisconsin in April of 2004.

2. Shipment. All goods shall be shipped F.O.B. Sentry-designated destination, notwithstanding any contrary designation on any business forms of Supplier or shipping documents related to the goods, and notwithstanding that Sentry may designate the carrier(s) for any shipment(s) relating to this purchase order. Supplier shall be responsible for all loss of or damage to goods in transit, including damage which may not be apparent at time of delivery. Title to the ordered goods shall not pass to Sentry until delivery of such goods to the designated destination. No partial shipments will be accepted unless previously authorized by Sentry.

3. Packing list. A packing list must be included for each shipment, giving description of the material, quantity, and purchase order number. Sentry count shall be accepted as final on all shipments not accompanied by a packing list. All packages must bear the Sentry order number. All cartons and bills of lading must be marked with complete shipping address, with Supplier's name on the outside of all packages. All shipments must be packed, marked, and described on bill of lading as to obtain the lowest applicable rate, except when otherwise specified by Sentry.

4. Deliveries. Time is of the essence. If any part of this purchase order is not delivered to the "ship to" address indicated on the face hereof on or before the dates specified, Sentry may cancel all or any part of this Purchase Order without liability and may return to Supplier, at Supplier's expense, any goods previously delivered in connection with this purchase order. If shipment by express becomes necessary in order to fulfill Supplier's delivery obligation, Supplier shall pay for express charges. In addition, Sentry may reject and return to Supplier, at Supplier's expense, goods delivered in excess of the quantity ordered. Sentry reserves the right to reschedule or postpone deliveries pertaining to this purchase order at any time, without liability. Damage to any goods not packaged to insure proper protection, will be charged to Supplier or returned at Supplier's expense. All expense of unpacking, examining, re-packing, storing, and reshipping any goods rejected as aforesaid shall be at Supplier's expense. Unless expressly agreed, reworked, rebuilt, or refurbished goods shall not be furnished hereunder.



5. Inspection, rejection, and revocation of acceptance. All goods received shall be subject to inspection by Sentry within a reasonable time after delivery, and payment for goods by Sentry shall not constitute acceptance by Sentry of such goods nor impair the right to inspect or any of its remedies. Sentry may reject any defective goods, including goods not in accordance with all applicable specifications or samples provided to Supplier, and may return, at Supplier's expense, part or all of any such defective goods, or may hold such goods pending Supplier's instructions at Supplier's expense and risk. If Supplier fails to give any such instructions within 30 days, Sentry may destroy the defective goods. No replacement of goods shall be made by Supplier unless specified by Sentry.

6. Payment terms. Prices invoiced by Supplier shall not be higher than those last charged or quoted in any writing provided to and accepted by Sentry. Payment terms shall be 2 percent, 10 days, net 30 days from the date of receipt of shipment unless otherwise agreed to in writing by the parties. Supplier agrees that Sentry shall receive benefit of any reduction in price of goods or services covered by this purchase order which is effective on or before date of delivery. All calculations will be from the date a proper invoice is received by Sentry.

7. Taxes. Supplier agrees to assume exclusive liability under all laws that impose taxes or other assessments on the manufacture or sale of the goods to be furnished hereunder or any component part thereof, or on any process or labor involved therein, or on any services to be rendered by Supplier, and to pay any and all such taxes, except those Sentry specifically is by law required to pay. Any taxes to be paid by Sentry shall be separately stated on the applicable invoice. Invoices shall not include any taxes for which Supplier can obtain, or Sentry can furnish, an exemption from such taxes. In the event it is determined that any charge or tax paid by Sentry was not required to be paid, Supplier will make prompt application for the refund thereof and will promptly remit to Sentry any such refund received by Supplier.

8. No other charges. Unless otherwise agreed to in writing by Sentry, Sentry shall not be responsible for any charges other than the price of goods purchased and, in accordance with paragraph 7 above, those taxes on such goods Sentry is specifically required by law to pay (regardless of whether price is quoted as "delivered pricing" or otherwise). Without limiting the generality of the foregoing, Sentry will not be responsible for charges for freight, boxing, packing, crating, loading, unloading, or cartage of the goods.

9. Warranties. Supplier warrants that Supplier has good and marketable title to goods subject to this purchase order, and further warrants that all goods covered by this purchase order shall: (a) be delivered to Sentry free and clear of any liens, claims, or encumbrances; (b) be free from defects in design, materials, and workmanship, and not be dangerous or in any

way present an unreasonable risk to the users thereof; (c) be merchantable and fit for the usual, ordinary, and customary purposes for which they generally are used; (d) be fit for the particular purposes and uses for which they are intended; and (e) comply in all respects with all specifications, samples, or other descriptions furnished to Supplier. The foregoing warranties shall be in addition to any express warranties extended by Supplier or any other warranties implied by law. In addition, Supplier incorporates by reference and passes on to Sentry the benefits of all warranties given to Supplier by persons from whom Supplier purchased any of the goods.

10. Compliance with laws. Without limiting the generality of the provisions of paragraph 9 hereof, Supplier further represents and warrants that all goods and services furnished hereunder, including the production, sale, packaging, labeling, safety, testing, importation, and transportation thereof, and all representations, claims, advertising, prices, allowances, discounts, or other benefits made, offered, or authorized by Supplier, shall at all times comply with all requirements of any and all applicable federal, state, and local governmental laws, ordinances, and regulations, as amended from time to time ("Applicable Laws"), including, without limitation, the Fair Labor Standards Act of 1938, the Flammable Fabrics Act, the Federal Hazardous Substance Labeling Act, the Magnuson-Moss Warranty Act, Presidential Executive Purchase Order No. 11246, and section VII of the Civil Rights Act of 1964. Supplier hereby further warrants and guarantees that, where applicable, reasonable and representative tests or studies as prescribed by the Consumer Product Safety Commission, the Federal Trade Commission, the Food and Drug Administration, or other governmental authorities have been performed, or will be performed before delivery, which show that the goods shipped hereunder at the time of their shipment or delivery to Sentry, conform to the standards, rules, or regulations applicable thereto. Supplier agrees to supply to Sentry at any time, including after fulfillment of this purchase order, such information and records regarding Supplier and/or the goods or services covered by this purchase order as are reasonably required by Sentry to comply with Applicable Laws, and Sentry agrees to hold any such information and records confidential to the same extent as Supplier is required to hold Sentry information confidential as set forth in the first sentence of paragraph 10 hereof.

11. Indemnification. Supplier agrees to indemnify and hold harmless Sentry and all parent, subsidiary, and affiliated corporations, and their respective employees and agents from and against any and all claims, liabilities, damages, losses, costs, and other expenses (including attorneys' fees), which relate to or arise out of any claim for the following: (a) death, illness, or injury to any person or damage to any property, (b) violation by Supplier or of the goods and/or services of any Applicable Laws, including payment of interest and



penalties, (c) trademark, copyright, or patent infringement, or infringement of any other proprietary right, including rights or publicity or privacy, or (d) any alleged breach by Supplier of any representations, warranties, or covenants contained herein; in each case to the extent such claims results or is alleged to have resulted from any act or omission, negligent or otherwise, of Supplier or any of its employees, agents, or subcontractors, in the furnishing of goods or in the performance of services hereunder, or from any goods or services sold by Supplier or from their use or consumption, or from the presence of Supplier's employees or agents on Sentry premises (regardless of whether the asserted theory of liability is strict liability, negligence, or any other legal or equitable theory). Supplier hereby agrees that, in addition to any other of remedies by Sentry, any money due to Supplier from Sentry may be retained by Sentry until all such claims or suits have been settled and evidence to that effect is furnished to the satisfaction of Sentry. This indemnity shall survive the delivery of goods or performance of services hereunder. Upon request, Supplier shall furnish Sentry with evidence proving that Supplier is adequately insured against the risks specified above. The foregoing indemnification extends not only to third-party claims but also to any loss directly suffered by Sentry. If Supplier doesn't have workers' compensation or employer liability insurance, Supplier shall indemnify Sentry against all damages sustained by Sentry resulting from Supplier's failure to have such insurance.

12. Force majeure. Sentry shall have the right to cancel this purchase order in whole or in part, without liability, to Supplier in the event of discontinuance of or substantial interference with Sentry business, by reason of fire, flood, earthquake, strike, act of God, embargo, governmental regulation, or other causes beyond the control of Sentry.

13. Confidentiality. Supplier shall not disclose to any person outside of its employ, or use for any purpose other than to fulfill its obligations under this purchase order, any information received from Sentry pursuant to this purchase order or otherwise (including as contemplated by paragraph 14 below), except such information which is (a) otherwise publicly available, (b) is publicly disclosed by Sentry subsequent to Supplier's receipt of such information, (c) is rightfully received by Supplier from a third party not under a duty of confidentiality to Sentry, and (d) required to be disclosed by court order or pursuant to Applicable Laws; provided Supplier (i) gives prompt notice of the requirement to Sentry and (ii) makes disclosure only as specifically required by such order or Applicable Law. Also, except as required pursuant to the last sentence of paragraph 10 hereof, Supplier shall not disclose to Sentry any information which Supplier deems to be confidential, and it is understood that, other than such exception, any information received by Sentry,

including all manuals, drawings, and documents, will not be of a confidential nature or restrict in any manner, the use of such information by Sentry. Supplier agrees that any legend or other notice on any information supplied by Supplier, which is inconsistent with the provisions of this paragraph, doesn't create any obligation on the part of Sentry.

14. Drawings, blueprints, etc. All drawings, blueprints, specifications, and other materials provided to Supplier from Sentry are the sole property of Sentry and are considered confidential. Supplier agrees that all such items and material will be used only to manufacture and supply goods or provide services to Sentry, and that such material will be returned to Sentry upon completion of this or other applicable purchase order(s) or at any time Sentry demands.

15. Remedies. In addition to any other remedies provided in this purchase order or arising by operation of law, any costs or expenses incurred by Sentry as a result of Supplier's noncompliance with the terms and conditions hereof or from Sentry exercising its rights hereunder including, but not limited to, charges for freight, storage, repacking, loading, and unloading, may be deducted by Sentry from any present or future Supplier invoices or otherwise recovered from Supplier. In addition, all claims for money due or to become due from Sentry shall be subject to deduction by Sentry for any set-off or counterclaim arising out of this or any other Sentry purchase order with Supplier. No remedy provided in this purchase order shall be deemed exclusive of any other remedy allowed by law. If either party employs attorneys to enforce any rights arising out of or relating to this purchase order in any suit or other action to enforce any right or remedy under this purchase order, the party which prevails or substantially prevails in such suit or action shall be entitled to recover reasonable attorneys' fees and costs.

16. No use of Sentry name. Supplier shall not, without first obtaining the written consent of Sentry, in any manner advertise, publish, or otherwise disclose the fact that Supplier has furnished, or contracted to furnish, to Sentry the goods and/or services ordered hereunder.

17. Applicable law and venue. This purchase order shall be interpreted in accordance with the laws of the state of Wisconsin without regard to conflicts of law principles. Venue in any lawsuit arising out of this purchase order shall lie exclusively in state and federal courts in the state of Wisconsin. Supplier irrevocably waives to the fullest extent permitted by applicable law (a) any objection it may have to the laying of venue in the applicable court referred to above and (b) any claim that any such action or proceeding has been brought in an inconvenient forum. The United Nations Convention on Contracts for the International Sale of Goods is excluded.



18. Entire agreement. This purchase order contains the entire agreement between the parties relating to transaction contemplated hereby, and no conflicting prior negotiations, correspondence, conversations, prior or present course of dealing, usage of trade or course of performance shall be deemed in any way to affect the specific term and conditions hereof.

19. Miscellaneous. With respect to goods returned to Supplier for whatever reason, Supplier shall expeditiously authorize, and cooperate in arranging, for the return of said goods. Supplier shall not subcontract, delegate, or assign its obligations under this purchase order without the written consent of Sentry (parts and material normally purchased by Supplier or required by this purchase order shall not be construed as subcontracts or delegations). Descriptive headings are for convenience only and are not a part of this purchase order. If any provision contained in this purchase order shall be determined to be unenforceable or prohibited by law, then such provision shall be void and the remaining provisions shall not be affected or impaired thereby. Any waiver of a term or provision of this purchase order must be in writing to be effective. No waiver of any term, provision, or condition hereof shall be deemed to constitute a waiver of any other term, provision, or condition of this Purchase Order, or a waiver of the same or of any other term, provision, or condition with regard to subsequent transactions or subsequent parts of the same transaction, including without limitation, subsequent shipments under this purchase order.

If this purchase order relates to printed items and/or printing-related services, the following provisions shall apply in addition to the terms and conditions above.

20. Accuracy of specifications. Supplier's quotations are based on the accuracy of any specifications provided by Sentry. Supplier can re-quote a job at time of submission if copy, film, tapes, disks, or other input materials do not materially conform to the information on which the original quotation was based.

21. Sentry-furnished materials. Materials furnished by Sentry or its representative are verified by delivery tickets. Supplier bears no responsibility for discrepancies between delivery tickets and actual counts. Sentry-supplied paper must be delivered according to specifications furnished by Supplier. These specifications will include correct weight, thickness, pick resistance, and other technical requirements. Artwork, film, color separations, special dies, tapes, disks, or other materials furnished by Sentry must be usable by Supplier without alteration or repair.

22. Over-runs or under-runs. Over-runs or under-runs will not exceed the percentage agreed upon by the parties. Supplier will bill for actual quantity delivered within this tolerance. If Sentry requires guaranteed quantity, the percentage of tolerance will be stated at the time of quotation.

23. Proofs. Supplier will submit prepress proofs along with original copy for review and approval by Sentry. Corrections will be returned to Supplier on a master set marked "OK," "OK with corrections," or "Revised proof required" and signed by Sentry. Until the master set is received, no additional work will be performed. Press proofs will not be furnished unless they've been required in writing in Supplier's quotation.

24. Color proofing. A color proof is used to simulate how the printed piece will look. Because of differences in equipment, paper, inks, and other conditions between color proofing and production pressroom operations, a reasonable variation in color between color proofs and the completed job is to be expected.

25. Production schedules. Production schedules will be established and followed by both Sentry and Supplier.

26. Storage. Supplier will retain intermediate materials until the related end product has been accepted by Sentry. If requested by Sentry, intermediate materials will be stored for an additional period for additional charge.

27. Electronic manuscript or image. It is the responsibility of Sentry to maintain a copy of the original file. Until digital input can be evaluated by Supplier, no claims or promises are made about Supplier's ability to work with jobs submitted in digital format, and no liability is assumed for problems that may arise.

28. Sentry warranties. Sentry warrants that (a) the subject matter to be printed is not copyrighted by a third party or Sentry otherwise has permission or the right to have the subject matter printed, (b) no copyright notice has been removed from any material used in preparing the subject matter for reproduction, and (c) the subject matter to be printed does not contain anything that is libelous or scandalous, or anything that threatens anyone's right to privacy or other personal rights. Sentry acknowledges that Supplier shall have the right in the exercise of its reasonable judgment to print anything it deems illegal, libelous, scandalous, improper, or infringing upon another's intellectual property rights.