

# Burton Mill Solutions Standard Terms of Purchase

The following terms and conditions apply to all Purchase Orders issued by Burton Mill Solutions:

1. **DEFINITIONS:** Herein “BMS” shall refer to Burton Mill Solutions, dba for Simonds International L.L.C. in the United States and dba for Wood Fiber Canada Ltd. In Canada, or one of their subsidiaries, that is issuing a purchase order to which these terms and conditions are bound; “Seller” shall refer to the recipient of the purchase order to which these terms and conditions are bound; “Order” shall refer to the purchase order issued by BMS to which these terms and conditions are bound; “Deliverables” shall refer to the articles, material, or services to be provided by Seller in connection with the Order; and “Owner” shall refer to BMS’s customer that is ultimately receiving the Deliverables or who is the beneficiary of the Deliverables.
2. **ACCEPTANCE OF ORDER:** This Order becomes a binding contract on the terms set forth herein when it is accepted by Seller either by acknowledgment or the commencement of performance hereof. No revisions to this Order shall be valid unless in writing and signed by an authorized representative of BMS; and no condition stated by Seller in accepting or acknowledging this Order shall be binding upon BMS unless expressly accepted in writing by BMS. All supplemental sheets, schedules, exhibits or riders which may be annexed hereto are made part of this Order to which Seller agrees to by acceptance of this Order.
3. **DELIVERY:** BMS may, in its sole discretion and at any time, postpone delivery of any of the articles ordered herein for a reasonable time.
4. **PACKING, MARKING, AND SHIPPING:** All Deliverables shall be properly packed, marked, and shipped in accordance with the requirements of the common carrier transporting such Deliverables and in a manner which will permit the securing of the lowest transportation rates. In addition, all shipments shall be accompanied by documentation that clearly indicates the contents of the shipment, including but not limited to identification of the Deliverables included, and their quantities and lot number, if applicable. Multiple packages or containers in a shipment shall be marked in a manner that allows for the identification of their contents without opening or unpacking. If possible without involving delay, Seller shall combine this Order with other orders to make minimum LCL or car-load shipments. Seller shall route shipments in accordance with BMS’s instructions. Seller shall reimburse BMS for all expenses incurred by BMS as the result of improper packing, marking, or routing. No charges will be allowed for packing, crating, or cartage unless stated in this Order.
5. **PRICE AND QUANTITY:** If Seller’s price or the regular market price of the Deliverables covered herein shall be lower than the price stated in this Order on the date of shipment of any unshipped part of this Order, Seller agrees to give BMS the benefit of such lower price on such unshipped part. If any manufacturer’s excise or other similar or different tax is included in or added to the prices paid to Seller for the Deliverables described in this Order and if such tax, or any part thereof, is hereafter refunded to Seller, then Seller shall immediately pay BMS the amount of such refund. BMS is not required to receive or pay for any items or Deliverables in excess of the amount or quantity specified in this Order.

6. **BONDING:** If BMS requires a payment and performance bond or a supply bond from the Seller, such bond must be delivered within ten (10) days from issuance of this Order. All bonds requested must be executed with a surety company that is acceptable to BMS. It is agreed that progress payments made and associated with this Order shall not constitute a final acceptance of the Deliverables associated with this Order either wholly or in part until final acceptance of the Deliverables is documented by BMS.
7. **INVOICES AND STATEMENTS:** Payment of Seller's invoice is subject to adjustment for over-shipment, shortage, or rejection. Seller shall issue individual invoices for each shipment applying to this Order showing the (a) Order identification number, (b) the item number of each Deliverable in the shipment, and (c) a description of the Deliverable(s) in the shipment, (d) quantities and unit prices, and (e) extended total prices. Seller shall plainly mark one copy of each invoice "ORIGINAL". Seller's invoices shall separately itemize any applicable sales tax, duty, excise tax, use tax, or other similar tax or charge.
8. **WARRANTY:** Seller expressly warrants that all Deliverables covered by this Order will conform to the specifications, final and approved drawings, or other description furnished, adopted, or approved by BMS, and will be merchantable, of good material and workmanship, and free from defect for a period of one (1) year (unless otherwise noted elsewhere in this Order) from the date of acceptance by BMS. All Deliverables furnished on this Order must be of the quality specified, or in the event no quality is specified, must be of the best quality. Seller's warranties and guarantees shall run to BMS and/or BMS's customers. Any Deliverables found within the warranty period to be defective or otherwise not conforming to specifications, final and approved drawings, or other descriptions furnished by BMS, shall be replaced or repaired by Seller at no cost to BMS, provided that such Deliverables have been utilized under normal operating conditions.
9. **SHIPMENT:** In accepting this Order, Seller acknowledges that time is of the essence, and agrees to deliver the Deliverables covered by this Order in accordance with BMS's schedule and in the exact quantities specified in this Order.
10. **APPROVALS:** All shop drawings and samples required to be produced by Seller shall be submitted to BMS for approval, and shall be deemed approved only upon written notice by BMS to Seller. Upon request, Seller shall provide certified drawings or other specifications relating to the Deliverables so that such information can be incorporated into BMS's drawings or specifications.
11. **INSPECTION, REJECTION, AND REMEDY OF DEFECTS:** All Deliverables furnished in connection with this Order shall be subject to inspection and test by BMS at all times and places during manufacture or construction. Final acceptance of Deliverables procured under this Order shall be made at BMS's facility, or, in the case of Deliverables that are to be delivered directly to the Owner's facility, at the Owner's facility, regardless of where such inspection may be performed. Inspection by BMS at BMS's facility or at Owner's facility, if applicable, shall constitute final acceptance except in cases of latent defects, fraud, or gross negligence. Payment for any Deliverables under this Order prior to inspection shall not constitute an acceptance thereof. BMS shall have the right at any time to reject any Deliverables found to be defective in material or workmanship (with or without instructions as to their dispositions) and to require their replacement or correction. All freight charges involving the shipment of defective items shall be for Seller's account. Unless Seller elects to correct or replace the Deliverables which BMS has a right to reject and is able to make such correction or replacement within the required delivery schedule, BMS may require delivery of such Deliverables at a reduction in price which is equitable under the circumstances. If BMS rejects any Deliverables under this Order, BMS shall

be relieved of any obligation to accept and/or pay for such Deliverables. If Owner withholds payment to BMS in connection with non-conformance of or other defect in the Deliverables, or in connection with an event or events caused by Seller's negligence, payments by BMS to Seller shall be withheld until a settlement or other resolution of the issue between Owner and BMS is reached, irrespective of whether final acceptance has been completed.

12. **CONSIGNED PROPERTY:** All supplies, materials, facilities, tools, jigs, dies, fixtures, patterns, or equipment furnished to Seller by BMS to perform this Order shall (a) remain the property of BMS and Seller shall bear all risk of loss thereof, and damage thereto, normal wear and tear excepted; (b) be properly housed and maintained by Seller; (c) be marked "Property of BMS" by Seller; (c) not be commingled with the property of Seller or that of a third party; (d) not be moved from Seller's premises without prior written authority from BMS, and (e) be immediately delivered to BMS by Seller upon BMS's request. Whenever Seller shall have/hold in possession BMS property, then Seller shall be deemed an insurer thereof and shall be responsible for the property's safe return to BMS.
13. **CHANGES:** BMS may, at any time, by written notice to Seller and without notice to any third parties, make changes within the general scope of this Order, including but not limited to changes relating to attachments, method of shipment or packing, or place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this Order, an equitable adjustment shall be made in the price or delivery schedule, or both, and BMS and Seller shall modify the terms of this Order accordingly in writing. Failure to modify in writing by either party shall not be considered a waiver of the requirement of such writing, and BMS shall not be liable to Seller for any extra charges unless such charges are made pursuant to written modification of this Order signed by both parties. Any claim for adjustment under this clause must be asserted within 30 days from the date of receipt by Seller of the notification of changes. Nothing in this clause shall excuse Seller performing under this Order as modified.
14. **PATENT PROTECTION:** To the extent the Deliverables are not supplied pursuant to design originated by BMS, Seller agrees to indemnify and hold BMS and/or BMS's agents or customers harmless from any loss, damage, or liability that may be incurred on account of infringement of United States patent rights with respect to such Deliverables. Seller further agrees to defend, at Seller's own expense, any action, suit, or claim in which such infringement is alleged with respect to the sale or use of the Deliverables delivered under this Order.
15. **PROPRIETARY RIGHTS, COPYRIGHT, NON-DISCLOSURE:** Unless subject to a separate agreement with respect to proprietary rights, copyright, and non-disclosure of confidential information between BMS and Seller, Seller agrees to use any proprietary or confidential materials or information supplied in connection with this Order, including but not limited to drawings, specifications, tools, designs, work samples, only for the purposes producing or delivering the Deliverables; and Seller agrees to maintain confidential and not disclose to or otherwise allow third-parties to gain access to any proprietary or confidential materials or information supplied by BMS in connection with this order, unless such third-party is also bound by an agreement relating to proprietary or confidential information that provides equal or greater protection to BMS; and Seller agrees to return or, at BMS's request, destroy any proprietary or confidential materials or information supplied to Seller in connection with this Order; and Seller's obligations under this paragraph shall continue for two (2) years after final acceptance of Deliverables.

16. **ASSIGNMENTS:** No assignment of this Order or of any monies due or to become due under this Order shall be binding upon BMS unless agreed to by BMS in writing. Payment to an assignee of any claim arising under this Order shall not be subject to reduction or set-off of any indebtedness of Seller to BMS arising independently of this Order.
17. **GOVERNING LAW:** This Order is to be governed by and constructed according to the laws of the State of Oregon. Seller agrees that the performance of this Order is subject to all applicable federal, state, and local laws, rules, regulations, or ordinances and any amendments thereto. Seller also warrants that it does not discriminate against any of its employees or applicants for employment based on race, religion, color, national origin, or any other prohibited basis.
18. **NON-WAIVER:** BMS's failure to insist upon strict performance of any terms and conditions of this Order shall not be deemed a waiver of any rights or remedies that BMS shall have and shall not be deemed a waiver of any subsequent default by Seller of the terms and conditions contained in this Order. The remedies herein reserved shall be cumulative and additional to any other or further remedies provided in law or in equity.
19. **ADVERTISEMENT BY SELLER:** Seller shall not, without first obtaining the written consent of BMS, in any manner, advertise or publish the fact that Seller has contracted to furnish BMS the articles covered by this order. If Seller shall not, without first obtaining the written consent of BMS, in any manner, advertise or publish the fact that Seller has contracted to furnish BMS the Deliverables covered by this Order. If Seller violates this clause, BMS may immediately cancel the contract resulting from the acceptance of this Order without any further liability thereon.
20. **FORCE MAJEURE:** Neither party shall be responsible for failure to perform under this Order if such failure of performance is occasioned by war, strikes, fires, acts of God or the public enemy, labor or transportation difficulties, or other causes beyond the party's control, provided such party promptly notifies the other party of conditions which will result in failure to perform, or delay in performing, its obligations under this Order. A force majeure event shall not be grounds for changes to the prices specified in this Order unless agreed to in writing by the parties. A force majeure event shall not delay delivery dates by more than the duration of such force majeure event unless agreed to in writing by the parties.
21. **MECHANIC'S LIEN AND INDEMNITY:** If this Order calls for Seller to perform work upon property owned or controlled by BMS, Seller agrees as follows: (a) Seller will keep the premises and work free and clear of all mechanic's liens and agrees to furnish BMS such affidavit and waivers as, in BMS's opinion, are necessary or appropriate to insure immunity from mechanic's liens arising from the performance of this Order, all as a condition precedent to any payment by BMS hereunder; (b) the work will remain at Seller's risk prior to written acceptance by BMS, and Seller will replace at its own expense all work damaged or destroyed by fire, force, or violence of the elements or any other cause whatsoever; (c) Seller will indemnify, hold harmless, and defend BMS from all liability or loss, damage, or injury to person or property in any manner arising out of or incident to Seller's performance under this Order; (d) Seller will indemnify, hold harmless, and defend BMS from any and all claims, demands, or suits made against BMS on account of any of the terms or provisions of any applicable workers' compensation law and will furnish BMS with proper evidence that Seller is insured against any liability under such law.

22. **TERMINATION:** BMS may, at its sole discretion, terminate work under this Order in whole or in part at any time by written notice to Seller. Such notice shall state the extent and effective date of such termination and upon the receipt thereof, Seller will, to the extent directed by BMS, stop work under this Order and the placement of further orders or subcontracts hereunder, terminate work under orders and subcontracts outstanding hereunder, and take necessary action to protect property in Seller's possession in which BMS has or may acquire an interest. Termination shall be without prejudice to any claims one party may have against the other.
23. **EVENTS OF DEFAULT:** BMS may immediately terminate the contract created under this Order upon any of the following events of default: (a) Seller's insolvency; (b) Seller's filing of a voluntary petition in bankruptcy; (c) the filing of an involuntary petition to have Seller declared bankrupt; (d) the appointment of a receiver or trustee to assume control over Seller's affairs; (e) Seller's execution of an assignment for the benefit of creditors; or (f) Seller's failure to timely produce and deliver acceptable Deliverables in accordance with the terms of this Order. Upon Seller's default, BMS shall have no further obligation to perform under this Order, except that BMS shall pay Seller for Deliverables or services accepted and received prior to Seller's default.
24. **LIMITATION OF LIABILITY:** Seller's exclusive remedy for damages caused by BMS's breach of the terms of this Order shall be actual damages. UNDER NO CIRCUMSTANCES SHALL SELLER BE ENTITLED TO OR RECOVER FROM BMS INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO LOST PROFITS.
25. **LABOR DISPUTES:** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately notify BMS of such dispute.
26. **ARBITRATION AND ATTORNEYS FEES:** Any dispute or claim that arises out of or that relates to this Order shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof; except that if Seller does not maintain a place of business in the United States, BMS may, at its sole option, initiate an arbitration proceeding against Seller in accordance with the Rules of Arbitration of the International Chamber of Commerce. The prevailing party in any arbitration or related legal proceeding arising from or relating to this Order shall be entitled to recover its reasonable costs and attorney fees incurred in connection therewith.
27. **INSPECTION AND AUDIT:** Seller agrees that its books and records and its plant, or such parts thereof that may be engaged in performance of this Order, shall at all reasonable times be made subject to inspection and audit by BMS's authorized representative.
28. **SUPPLIER CODE OF CONDUCT:** Seller agrees to be bound by BMS's Supplier Code of Conduct, which is published on the BMS website at <https://burtonmill.com/pages/terms>.

Updated May 31, 2024.