

MASCO COMPANIES STANDARD TERMS AND CONDITIONS FOR PURCHASES OF PARTS, GOODS AND MATERIALS FROM SUPPLIERS

These terms and conditions ("Terms") are issued on behalf of the Masco company identified in the applicable purchase order or agreement as the buyer (which may be referred to as "us," "our" or "we" in these Terms) and will apply to each purchase order issued by us and any supply or other agreement to which these Terms are attached or incorporated by reference (with such purchase order or agreement sometimes referred to as the "Agreement") with respect to parts, goods and materials and any services incidental thereto ("Supplies"). By accepting such Agreement, you agree you have read and will be bound by these Terms. These Terms will be valid without signature if issued by us through our computer system or other electronic means and can be found at www.masco.com/our-suppliers/ ("Web Site"). These Terms may hereafter be revised, from time to time, by us by posting revisions on the Web Site, and such revisions shall be binding on both of us upon posting. You agree that you will check the Web Site for any revisions to these Terms. No change, waiver or consent with respect to these Terms will be binding on us unless contained in a separate writing signed by our highest ranking purchasing executive.

1. **Acceptance and Formation of Contract.** Any purchase order we issue is our offer and is limited to these Terms and those terms reflected in our purchase order. Our issuance of a purchase order is not an acceptance of any offer to sell or quotation you have provided to us. Any conduct by you recognizing the existence of a contract pertaining to the subject matter of a purchase order will constitute your acceptance of our purchase order and these Terms. Any terms or conditions proposed in your acceptance of this offer that add to, vary from or conflict with any of these Terms (even if referenced in our purchase order) are deemed material and are hereby rejected. If our purchase order is deemed an acceptance of your prior offer, then our issuance of a purchase order will constitute an acceptance of such offer subject to the express condition that you agree to these Terms that are additional to or different from any terms and conditions in your offer. You acknowledge that except as otherwise provided in these Terms, our purchase order, together with these Terms, constitutes the entire agreement between us with respect to the subject matter of such purchase order. In the event of a conflict between these Terms and an Agreement, the terms and conditions contained in the Agreement shall control.

2. **Additional Terms.** You agree that if the Supplies include construction, installation or repair services on our premises, the Supplementary Terms and Conditions for Purchase Orders Issued for Work to be Performed on our Premises and the Contractor Safety & Environmental Policy, each available on the Web Site, will also apply to your provision of the Supplies. You further agree that if you use any of our tooling or bailed property in connection with the provision of Supplies, the Masco Supplementary Terms and Conditions for Tooling and Bailed Property (the "Tooling and Bailed Property Terms"), whether provided to you in a written document or available on the Web Site on the date of the Agreement will also apply to your provision of Supplies. You agree that you will access these documents on the Web Site and review them. Any written agreements entered into with you relating to Supplies, such as a non-disclosure, bailment, supply, consignment or rebate agreement that is in effect as of the date of issuance of a purchase order, will continue to apply for the term provided in such agreement after a purchase order has been issued. The provisions of any such agreement shall be construed, to the extent possible, as consistent with these Terms and as cumulative; provided, however, if such construction is unreasonable, the terms and conditions of any such other agreement shall control unless otherwise set forth on the face of the purchase order or in a writing signed by the parties.

3. **Purchase and Sale.** You will provide the quantities of Supplies as shown in the Agreement. We may provide estimates, forecasts or projections of our future volume or quantity requirements for Supplies which are for informational and planning purposes only and are not binding on us. We make no representation, warranty, guaranty or commitment of any kind or nature, express or implied, regarding any volume projection.

4. **Changes.** We may change our order for Supplies at any time without penalty, with written notice. Unless you promptly notify us in writing of an objection to any change, you will make all changes we request. You may not make your own changes without obtaining our written consent. You will promptly notify us in writing if there is a proposed change in materials or manufacturing location with respect to the Supplies, any other change that can affect the form, fit or function of the Supplies or a change that will significantly affect cost or time for performance, and if you seek an adjustment in cost or time for performance, you will provide substantiation thereof.

5. **Prices/Payment Terms.** The Agreement will show the applicable prices, which, unless otherwise stated, will be in U.S. currency and will include all value added tax, excise tax and other applicable taxes, duties, surcharges and other charges for transportation, packaging and storage. Payment terms shall be the end of accumulation period (EOAP) terms set forth in the Agreement. You warrant prices for Supplies are not less favorable than those you extend to any customer for like Supplies in equal or lower quantities. We will receive the benefit of (a) all discounts, rebates and incentives you customarily offer to your customers and (b) your established price for any Supplies on the date of delivery, if lower than provided in the Agreement. If the Agreement entitles us to a discount, the discount period will begin on the later of the date the invoice is received by us or the date we take delivery of the Supplies. Unless otherwise provided in the Agreement, we shall be the only company responsible for any obligations hereunder, including without limitation, payment obligations.

6. **Delivery.** We have the right to specify the carrier and method of transportation for shipment of any Supplies. A packing slip will accompany each shipment. The Supplies must be packaged in a way to prevent damage. Time of rendering and quantity of Supplies are of the essence. You are required to achieve 100% on-time delivery (during regular business hours) and quantity performance. Whenever you have knowledge that delivery may be delayed, you will immediately give us notice. Acceptance of any part of an order will not bind us to accept future shipments nor deprive us of the right to return Supplies already accepted. If you fail to meet our delivery requirements, we may require a more expeditious method of transportation than originally specified. You will then, at our sole option, (a) promptly reimburse us the difference in cost between the more expeditious method and the original method, (b) allow us to reduce payment of your invoices by such difference or (c) ship Supplies as expeditiously as possible at your expense.

7. **Title/Risk of Loss.** Title and risk of loss will remain with you until you have delivered Supplies in a completed state, and we have inspected and accepted them at the location specified in the Agreement. You will bear the cost of any return shipments. Delivery will not be complete until we receive and accept the Supplies.

8. **Nonconforming Supplies.** You will deliver only Supplies that conform in all respects to the requirements of the Agreement. We may inspect Supplies at any stage of manufacture, delivery and completion, and may reject Supplies for defects revealed thereby, even after we have accepted same. If Supplies are nonconforming, we will inform you about the nonconformity as soon as reasonably practicable after we have discovered it, and may, at our sole option, (a) permit you to re-work, replace or otherwise remedy a nonconformity in accordance with any deadline we establish, (b) reject nonconforming Supplies, return them to you and, at our option, receive a credit or refund or request redelivery of conforming Supplies or (c) retain them and either repair them ourselves or request you to do so. In any event, you will bear the risk and expense of the remedial action undertaken. You also will be liable for all direct, incidental and consequential damages, losses, costs and expenses we incur resulting from your failure to deliver conforming Supplies or to comply with our shipping, delivery or other requirements, even if you have cured such failure. Payment for nonconforming Supplies will not constitute acceptance of them nor will it limit or affect any of our rights.

9. **Warranties.** In addition to any warranties you have provided, you warrant that Supplies will be (a) new and free from defects in material and workmanship, fully merchantable and of good quality, (b) in conformity with any requirements concerning chemical composition furnished by us to you and any other specifications, drawings, samples or descriptions furnished by either party and approved by us, (c) in compliance with all applicable laws of the countries in which such Supplies have been manufactured or assembled or are to be used, (d) free from defects in design to the extent furnished by you or your subcontractors, even if the design has been approved by us and (e) in conformity with all other representations or warranties made by you or the manufacturer. You further warrant that (i) you know of our intended use and all Supplies will be fit and sufficient for the particular purposes we intend, (ii) you have good title to all Supplies, free and clear of all liens and encumbrances, and will transfer such title to us and (iii) any services included in Supplies will be performed in a workmanlike and timely manner and will conform to the highest industry standards. You warrant that the sale and use of Supplies will not infringe or violate any patent, trade secret, trademark, service mark, copyright or other intellectual property, right or entitlement of a third party in the United States, the country of manufacture of the Supplies or any other country where the Supplies are sold. Your warranties will survive any delivery, acceptance or payment by us. Acceptance of all or any part of the Supplies will not be deemed to be a waiver of our right to cancel or return any Supplies or reject any services due to (A) failure to conform, (B) discovery of latent or patent defects or (C) a breach of warranty. For Supplies that are components in our products, the warranty period shall expire on the later of the date (1) on which the period of the warranty provided by us for such product ends or (2) your warranty provided with such Supplies ends.

10. **Recalls.** In the event you or we decide, or the Consumer Product Safety Commission or other US or foreign government agency ("Agency") issues an order requiring us, to recall, replace, repair or make refunds with respect to any of our products included within Supplies or that incorporate Supplies (a "Recall"), you will fully cooperate and assist us in any such Recall. If Supplies are the subject of a Recall, whether initiated by us, you or an Agency (including the issuance of safety notices), you will be responsible for all matters and costs associated with the Recall (including our employee costs, overhead, warehousing, etc.), including, but not limited to: (a) consumer notification and contact; (b) customer refunds and transportation costs and (c) reporting the Recall to, and contact with, any Agency. If an Agency initiates any inquiry or investigation relating to Supplies, you will notify us immediately and take reasonable steps to resolve the matter without exposing us to liability or risk.

11. **Compliance with Laws; Business Practices.** In connection with the manufacturing of Supplies, you shall comply with all applicable regulations and provisions of the country of origin. The Supplies, and you in connection with the manufacturing of Supplies, further shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances and standards of or in the country(ies) of destination, including but not limited to those relating to the manufacture, labeling, transportation, importation, exportation, licensing or approval of Supplies, environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. You further represent that neither you nor your subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor or engage in abusive employment or corrupt business practices (including without limitation practices that violate the U.S. Foreign Corrupt Practices Act or any similar law of any other country). At our request, you shall certify in writing your compliance with the foregoing. You shall indemnify us and hold us harmless from and against any Claims (as defined below) arising from or relating to your noncompliance. We have various labor, environmental, social compliance and other programs and policies ("Masco Policies") that apply to our suppliers and certain of our customers and licensors have programs and policies that apply to us and our suppliers ("Customer Policies"). The Masco Policies are available on the Web Site. You agree to review and comply with, and will cause your suppliers to review and comply with, the Masco Policies and any applicable Customer Policies of which we advise you. Our customers, our licensors and we have the right to (i) audit you and your suppliers ourselves and (ii) retain independent third parties to audit you and your suppliers, in each case, for compliance with your obligations under the Agreement including without limitation the provisions of this Section 11.

12. **Materials.** Upon our request, you will promptly provide us with copies of any data, materials or other information that relate to Supplies, their composition or any component, materials or substances used in Supplies or in connection with their production. You will notify us of any inherent hazard related to any material incorporated in Supplies that could expose anyone to hazard during handling, transportation, storage, use, resale, disposal or scrap.

13. **Proprietary Information/Intellectual Property.** All specifications, drawings, notes, instructions, engineering notices, technical data and equipment referred to or supplied by us in connection with the Agreement are incorporated into the Agreement by reference. You agree that this, together with all information (whether disclosed directly or indirectly, orally, in writing or by inspection of tangible objects and whether or not labeled confidential, including without limitation technical design, manufacturing and application information, financial information and business plans, information concerning customers, sales and marketing, know-how and trade secrets) we disclose to you or information or work product created by you in providing the Supplies, is our confidential and proprietary information ("Proprietary Information"), and you will not reproduce, extract, use or disclose it to others without our prior written consent. You will take reasonable steps to safeguard Proprietary Information from unauthorized access and disclosure. Absent written consent between the parties, you will not make use of any of our Proprietary Information in connection with preparing or filing a patent application, including any application containing information that is derived from our Proprietary Information, and you covenant not to file any patent application based on our Proprietary Information including but not limited to a patent application containing information that is derived from our Proprietary Information without our written consent. You will not challenge any application for or subsequent registration of a patent containing information that is derived from Proprietary Information. You hereby assign to us any information, writings or inventions derived by you or your agents from our information or resulting from the provision of the Supplies. We shall have the right at no additional charge to use, incorporate or reproduce all or portions of material found in your literature. You agree, upon our request, to require each of your employees who may be engaged in work under the Agreement to execute an agreement assigning to us all rights to any intellectual property so far as such intellectual property relates to work hereunder and to any and all copyrights, designs, patents, patent applications, trademarks, and trade secrets covering such intellectual property ("Improvements"), including the right to enforce any of these. You agree to assign to us the entire right, title and interest in and to any and all copyrights, designs, patents, patent applications, trademarks, and trade secrets covering any inventions made by you or your employees during the course of this Agreement which relate to the Supplies. At our sole cost, you will assist us in preparing and obtaining any intellectual property rights and perfecting title thereto. You agree not to assert any rights or claims based on any intellectual property or other rights for the use of the Improvements by us or on our behalf. You agree not to challenge any application for or subsequent registration of a patent containing information that is derived from the Improvements. You hereby further agree to grant us a royalty-free, non-exclusive and irrevocable license to reproduce, translate, publish, make derivative works, use and dispose of (and authorize others to do so) any and all proprietary, copyrighted or copyrightable material furnished as a result of the provision of the Supplies provided by you hereunder. **In this regard, to the extent permitted by law, all copyrights and derivative works shall be "work made for hire" for us in accordance with applicable copyright laws.** Any copyrights for work that may not be covered as a work made for hire are owned by us and shall be assigned by you to us at our request. It is understood, however, that we do not obtain ownership in any of your background confidential information existing prior to the Agreement, although we shall have the full right to use and sell work product and

Supplies provided to us by you hereunder. Upon demand by us or upon completion by you of your obligations under the Agreement, you will return to us all Proprietary Information and you will not retain any copies, summaries or extracts of all or any part thereof. Any information you disclose to us with respect to any services or the design, manufacture, sale or use of Supplies will be deemed to have been disclosed as part of the consideration for this order, and you will not assert any claim against us by reason of our use of such information. Without our express written consent, you will not disclose to any third party or permit any third party to use any samples, over-runs, rejected parts or scrap produced or used by you in connection with our order (collectively, the "Remaining Product"), all of which you agree will be considered Proprietary Information. Upon termination of the parties' relationship, or at any time upon our request, you will destroy all Remaining Product unless otherwise directed by us. If Supplies specified in the Agreement are peculiar to our design either as an assembly or as a component part of an assembly, or if they bear our trademark or other identifying mark, they will not bear your trademark or other designation and similar material will not be sold or disposed of to anyone other than us.

14. Excuse of Performance. Neither party will be liable for a delay or inability to perform directly due to an excusable event. The following events shall be excusable events: acts of terrorism, war, riots, insurrection, civil commotion, fire, flood, earthquakes, storm and embargo. Excusable events do not include delays or nonperformance of your subcontractor or supplier, shut downs for equipment maintenance, equipment breakdown or the inability to acquire raw materials, energy, parts or any other item required to manufacture or provide Supplies at the prices prevailing before the occurrence of the excusable event. The party claiming an excusable event will provide the other party with written notice of both its occurrence and its termination as soon as practicable. In the event of an excusable event, we may, at our option, acquire all finished Supplies, work-in-process and raw materials produced or acquired for Supplies under the Agreement, and we will also have the option to cancel the affected purchase order in whole or in part or delay the delivery of any Supplies covered by such order without liability.

15. Termination for Cause. We reserve the right to cancel all or any part of a purchase order, effective on the date specified in our written notice of termination, without liability, if you: (a) repudiate or breach any of the terms of such order, including your warranties, (b) fail to perform as specified by us, (c) fail to make progress so as to endanger timely and proper delivery of Supplies, and, if capable of cure on a timely basis, do not correct such failure or breach within five (5) business days, (d) experience a change of control or a sale of a substantial portion of your assets or (e) become insolvent, or if a petition under any chapter of the bankruptcy law is filed by or against you, or if you make a general assignment for the benefit of creditors, or a receiver is appointed for you, and, in each such case, we may take possession of Supplies in whatever stage of completion they may be, immediately obtain custody of all Proprietary Information and contract with or employ any other person(s) to finish such Supplies. In the event of a termination under this Section 15, you will further be liable for all direct, incidental and consequential losses, costs and expenses incurred by us (including reasonable fees of attorneys and other professionals) relating thereto. In the event of a termination under this Section 15, we will pay you, subject to any claims we have hereunder, for any unpaid Supplies previously delivered and accepted that fully conform to the requirements of the purchase order and any undelivered finished Supplies we choose to purchase in our sole discretion.

16. Termination for Convenience. Because of the commitments we have to our customers, you may not terminate a purchase order at your option. In addition to any other rights we have to cancel or terminate any purchase order or Agreement, we may at our option immediately terminate all or any part of a purchase order, at any time and with or without any reason, effective on the date specified in our written notice. Upon such termination, we will pay you the following amounts without duplication: (a) the order price for all Supplies that have been completed in accordance with a purchase order and not previously paid for; and (b) the actual cost of work-in-process, parts and materials incurred by you in furnishing such Supplies to the extent such costs are reasonable in amount; less, however, the reasonable value or cost (whichever is higher) of any Supplies, parts or materials usable or salable by you with our written consent and the cost of any nonconforming, damaged or destroyed Supplies, parts or material. Payments made under this Section will not exceed the aggregate price we would have paid for finished Supplies that would be produced by you under delivery schedules outstanding at the date of termination. Except as provided in this Section, we will not be liable for, directly or on account of claims by your subcontractors, loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs and general and administrative burden charges from termination of any order. You will furnish us, within thirty (30) days after the effective date of any termination under this Section 16, your termination claim. Your claim must include sufficient supporting data to permit us to verify and substantiate the claim. We may audit your records, before or subsequent to payment, to verify amounts requested in your termination claim.

17. Indemnification. To the fullest extent permitted by law, you will indemnify, defend and hold harmless us and each of our affiliates, subsidiaries, customers, directors, officers, employees and agents (collectively, the "Indemnified Persons") against and from any and all claims, lawsuits, judgments, losses, Recalls (as defined above), penalties or actions, costs, liabilities, damages and expenses (including attorneys' fees) incurred or to be incurred (collectively, "Claims") (a) for your breach of the Agreement or these Terms; (b) to the extent it is alleged that Supplies or the use of Supplies caused or will cause: (i) the death of or injury to any person or damage to any property which resulted or is alleged to have resulted from any acts or omissions by you, your employees, subcontractors or agents or from Supplies or their use; (ii) your or Supplies' failure or alleged failure to comply with any of your warranties, guarantees or representations contained in these Terms, the Agreement or otherwise; (iii) a Claim in connection with any promotional or advertising matter, guarantees, warranties, labels or instructions furnished by you or submitted to you by us to the extent they were approved by you or (iv) infringement of any patent, design, trade name, trademark, copyright, trade secret or other IP right or entitlement of any third party or (c) otherwise arising or alleged to have arisen out of the sale or use of Supplies. We will give you reasonable prior notice of any Claim and permit you to control the defense thereof. If you should fail to assume your obligations hereunder within 14 days of your receipt of such notice, including your obligation to pursue and pay for the defense thereof, we will have the right, but not the obligation, to defend ourselves and require from you reimbursement for any and all reasonable costs and expenses (including attorneys' fees). You will provide us with written notice within 14 days of the receipt of any evidence that an alleged act by us may have been the proximate cause of the Claim. We shall have the right, but not the obligation, to participate as we deem necessary in the defense of any such Claim, at our own expense. Neither of us shall enter into any settlement or compromise of a Claim for the benefit of the other without the express written consent of the other.

18. Setoff. In addition to any right of setoff provided by law, all amounts due to you will be considered net of indebtedness and other obligations of you and your subsidiaries and affiliates to us and all of our subsidiaries and affiliates. We may deduct such amounts without any other prior notice.

19. Remedies. The rights and remedies reserved by us in these Terms will be cumulative and in addition to any other rights or remedies provided by law or equity. We will be entitled to recover costs and reasonable attorneys and other professional fees in the enforcement or defense of any rights under the Agreement.

20. Limitation of Liability. Under no circumstances will we or our affiliates be liable for consequential, incidental, indirect, special, punitive or similar damages, whether foreseeable or not. Any attempt by you to (a) disclaim any theory or grounds of recovery or kinds or classes of damages recoverable or (b) to establish contractual time limitations periods, in each case, concerning a Claim by us or our customers hereunder

are hereby rejected by us and will not be effective. Any claim for relief by you must be commenced within one year after the cause of action accrues.

21. Waiver. Our waiver of any right or remedy will not affect any right or remedy subsequently arising under the same or similar clauses. A waiver of nonperformance under a purchase order must be in writing and will apply only to the specific instance addressed in the waiver and to no other past or future nonperformance.

22. Assignment. We may assign any benefit or obligation under any purchase order upon written notice to you. You agree not to assign a purchase order or delegate the performance of any obligations without our written consent. Any such assignment or delegation will, at our option, be deemed a cancellation of the purchase order.

23. Continuing Obligations/Severability. The obligations of each party under the following Sections will survive the expiration, non-renewal or termination of the Agreement: Sections 8, 9, 10, 11, 12, 13, 15, 16, 17, 24, 25 and 26. Any term or condition that is declared unlawful or unenforceable by a court of competent jurisdiction will not apply. The unenforceability of any such term or condition will not affect the enforceability of any other term or condition.

24. Advertising. You will not, without first obtaining our specific written consent, in any manner advertise, publish or disclose to any third party that you have contracted with us to furnish Supplies covered by the Agreement except as specified by us in writing or required for completion of an order.

25. Dispute Resolution. If any dispute, claim or controversy arising out of or related to these Terms, the Agreement or any supplementary terms referenced in Section 2 of these Terms (the "Supplementary Terms") cannot be resolved by us, then such matter shall be submitted to mediation and, if the matter is not resolved through mediation, it shall be submitted for binding arbitration. Any mediation and/or binding arbitration shall take place in the State of Michigan, Oakland County, and shall be administered by, and pursuant to the rules of, the American Arbitration Association. The language of the arbitration proceeding shall be English. The provisions of this Section may be enforced in a court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses (including reasonable attorney fees), to be paid by the party against whom enforcement is ordered. The arbitration award shall be final, binding on the parties, not subject to appeal, and enforceable by any court having jurisdiction over the necessary party or its assets. Neither party shall initiate any action in a court of law except for enforcement of a settlement or arbitration award, provided that either party may apply to any court of competent jurisdiction for injunctive or other equitable relief as may be necessary to protect such party's intellectual property rights and confidential information.

26. Governing Law/Jurisdiction. These Terms, the Agreement and the Supplementary Terms will be construed and interpreted according to the laws of the State of Michigan, without regard to the laws regarding conflicts of laws. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.

27. Translated Terms. These Terms and the Tooling and Bailed Property Terms are translated into certain other languages for your convenience. In the event of a conflict or discrepancy between the English version of such documents and the translated version, the version in English shall control.