

Consumers Energy Company

**TERMS AND CONDITIONS**

**WARRANTY OF QUALITY** - Seller warrants that all goods and services provided hereunder will conform to the specifications, drawings, samples and other descriptions as set forth in this purchase order or where not specified, will be of the most suitable grade of their respective type for their intended use and that all goods provided will be new. Seller further warrants that the goods and services shall be free from defects in design, material and workmanship for a period of one year or such other period as may be specified herein measured (a) for each unit of goods from the date such unit is first placed in service by the Buyer and (b) for services provided hereunder from the date such services are accepted by the Buyer. This warranty shall survive any inspection, delivery, acceptance or payment by Buyer. Without limiting any other remedy available to the Buyer, the Seller shall at its sole expense promptly upon notice from Buyer correct any breach of this warranty by repair or replacement of any defect in the goods and services affected by the breach.

**WARRANTY OF TITLE** - Seller warrants that all goods delivered hereunder shall be free from defects in title and the goods and services provided do not infringe any patent, copyright, trademark or other proprietary right. The foregoing warranty shall continue without limitation as to time. The Seller shall indemnify and hold the Buyer or Buyer's vendee harmless from and against all claims, losses or liabilities of every kind and nature which may arise out of Seller's failure to comply with this warranty.

**SELLER'S RESPONSIBILITY** - To the extent permitted by law, Seller shall be solely responsible for all loss, injury or damage arising from or relating to the goods and services provided by Seller hereunder and Seller shall hold Buyer harmless from all expenses, claims or liability for such loss, injury or damage.

**INSPECTION** - If so specified elsewhere in this purchase order, Buyer may elect to inspect the goods at the place of manufacture or shipment. Seller will make provisions for such inspections with any suppliers or subcontractors involved. Where such inspection is required, no units of the goods to be inspected will be shipped from the designated inspection point prior to Buyer's inspection or without its written waiver of such inspection. Buyer's inspection, failure to inspect, waiver of inspection, or any act or omission of Buyer in regard to any inspection, shall not be deemed a waiver of any rights or remedies of Buyer. Seller shall not ship any goods bearing notice of Buyer's inspection to any other parties.

**ACCEPTANCE** - Notwithstanding any other provision of this purchase order, no acceptance of all or any part of any shipment of the goods provided hereunder shall occur prior to the delivery of the goods in accordance with this purchase order and a reasonable time thereafter for Buyer to inspect the same.

**CANCELLATION** - Except as may be otherwise specifically provided for in this purchase order, Buyer may cancel all or part of this order without cost or penalty upon notice to the Seller prior to the shipment of any goods or performance of services hereunder. Following shipment of goods, Buyer may cancel all or part of this order upon notice to Seller and Buyer shall pay all freight charges for the shipment and return of any cancelled portion of this order. Any cancellation notice provided by Buyer orally shall be confirmed in writing by Buyer as soon as practicable.

**SALES AND USE TAX** - Buyer assumes responsibility for and will pay any applicable sales or use tax direct to the State of Michigan under its DIRECT PAY PERMIT NO 38-0442310 when Seller is instructed "do not bill tax." Seller is responsible for itemizing tax on invoice and paying the sales or use tax when instructed to "bill tax if applicable" or "bill tax at percent (%) of tax base." In the latter case, the exemption being claimed is for industrial processing.

**REGULATIONS AND LAWS** - By acceptance of this purchase order, Seller represents that no applicable laws, rules or regulations of any governmental, judicial or regulatory authority having jurisdiction over the subject matter of this purchase order have been or will be violated in the manufacture or sale of the goods or the providing of services covered by this purchase order. Any fines or penalties assessed as a result of Seller's failure to comply with any of the foregoing shall be borne solely by Seller. Any tariffs, import duties or other charges for importation of the goods or any part of the goods into the United States shall be borne by the Seller.

**MISCELLANEOUS** - This purchase order shall be deemed a Michigan contract and shall be governed by the laws of the State of Michigan. This purchase order (including documents attached or incorporated by reference) constitutes the parties' entire agreement with respect to its subject matter, and shall not be modified or supplemented, except in writing, signed by the parties. Seller may not assign or otherwise transfer this purchase order, in whole or in part, without Buyer's prior written consent.

**CONSUMERS ENERGY IS AN EQUAL OPPORTUNITY EMPLOYER**