

Submission Data File

General Information	
Form Type*	CORRESP
Contact Name	Steve Yakubov
Contact Phone	866-683-5245
Filer CIK*	0001354030 [Organic Sales & Marketing Inc]
Filer CCC*	*****
Notify via Website only	No
Return Copy	No
(End General Information)	

Document Information	
File Count*	20
Document Name 1*	v245248_corresp.htm
Document Type 1*	CORRESP
Document Description 1	
(End Document Information)	

Notifications	
Notify via Website only	No
E-mail 1	steve@vfilings.com
(End Notifications)	

This letter is prompted by a series of questions raised by the Commission in letters dated November 15, 2011. In each case, where applicable, these amendments will be made to the Registrants Form 10-K filing for Fiscal Year Ended September 30, 2010, Form 10-Q for the Fiscal Quarter Ended June 30, 2011 and include the necessary updates to its Form 10-K filing for Fiscal Year Ending September 30, 2011, respectively.

Robert Babula
Division of Corporation Finance
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Organic Sales and Marketing, Inc. ("OSM")
Form 10-K for the Fiscal Year Ended September 30, 2010
Filed February 15, 2011
Form 10-Q for the Fiscal Quarter Ended June 30, 2011
Filed August 15, 2011
File No. 1-33386

Form 10-K for Fiscal Year Ended September 30, 2010

1. The Registrant^ will file its amendments as noted.

Item 1. Description of Business, page 3

2. In response to your question about a joint marketing effort with industry giants Corning Inc. and Thermo Fisher Scientific, refer to Exhibit 10.28 in Registrant's June 30, 2010 Form 10-Q filing. There is no written agreement per se other than the understanding that both Corning and the Registrant are manufacturers and contract vendors of the distributor, in this case Thermo Fisher Scientific, and have agreed to disseminate the flyer, (refer to Exhibit 10.28 Registrant's 10-Q filing 06/30/10), for the special program to the collective customer base regarding the Registrant's OSM brand Glass & Surface Cleaner. The dissemination of such flyers may be voluntary. It is with the understanding that by joint efforts such as this, the Registrant may continue to have its products in the presence of customers that it may not otherwise come into contact.
 3. In response to your question about the Registrants vendor contract with W.W. Grainger, refer to Exhibit 10.31, W.W. Grainger, Inc. Supplier Agreement submitted herewith. Registrant is acting as its "Supplier" for an initial term of one (1) year, starting on May 19, 2010, which is automatically renewable for successive one (1) year periods. The contract is non-exclusive and there are no minimum purchase requirements. Included in the contract are (12) twelve stock items of the Registrant. See Company's agreement with W.W. Grainger accompanied herewith.
 4. In response to your question about the Registrant's contract with a "British based company" aka Microbial Technologies Limited, the Registrant will name and include the terms of the Licensing Agreement as mentioned below in its revised disclosure. Registrant's June 30, 2008 Form 10-QSB filing whereby Registrant has a non-exclusive license agreement with Microbial Technologies Limited, a company registered in the United Kingdom with an address of 4 Sovereign Way, Dock Road, Birkenhead, Merseyside, acting as the Licensor and the Registrant acting as the Licensee. The Licensor grants rights to Registrant to make, have made, distribute, market and/or sell products based on, derived from or incorporating the Licensed Technology in the field of organic based and/or natural cleaning products.
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Item 5. Market for Common Equity, Related Stockholder Matters and...page 15

5. In response to your question about the Registrant's recent sales of unregistered securities, Registrant relied on the exemption for transactions not involving a public offering, afforded by Section 4(2) of the Securities Act of 1933, as amended. Form D is not required. Any offer of securities was made to a limited number of accredited offerees. We will include in our future disclosure the additional information suggested by the staff.

Item 7. Management's Discussion and Analysis of Financial Condition and...page 16

6. In response to your question about how the Registrant is achieving "stable sales growth", the Registrant meant to say "margin" instead of "sales" as it opted to focus more of its efforts towards sales of its products to customers which did not require exorbitant slotting fees and other marketing programs that otherwise become too cost prohibitive and decreased margin and profitability. To this end, the Registrant chose to focus its efforts on commercial channels (Grainger & Fisher Scientific) and de-emphasize its earlier focus on grocery operations where slotting fees did not meet ROI expectations for the Company. With respect to your questions about what phase(s) the Registrant's products are in; the products vary in scope and function. With that also comes administrative, production, seasonality, delivery channel and acceptance to name a few. While all or most of the products have been implemented into the administrative processes of the aforementioned distribution channels and in most cases, produced, seasonality (fertilizer(s), deicer, egg wipes) along with acceptance can lead to varied sales. The Company has focused on a company-wide higher margin strategy due to its affiliations in the related channels however the products are still awaiting large-scale acceptance in the form of contracts or large orders. The Company has recently received some orders (40K + each) for its private label egg wipes and is aware that these products are being placed in over 1500 locations for the 2012 season throughout the US however, the Company does not know what the acceptance of the products in the marketplace will be. Based on the performance of these products thus far, the Company believes its other items will make their entrance either by the Company's brand name or through private label. The Company is currently private labeling some of its products now and is in discussions with several other companies to do the same. There are currently no contracts in place, however.

Liquidity and Capital Resources, page 17

7. In response to your question about the Registrant's ability to meet its cash requirements and whether it will have to raise additional funds in the next twelve months; at the time of the report, 10-K FYE September 30, 2010, additional funds were needed to be raised, either internally or from the outside. As the Registrant is still a growth stage company it is difficult to determine what its future cash requirements will be. Given its existing contracts already in place with formidable distributors that already have relationships with government and other large accounts, at this early stage, it is difficult to determine cash requirements since there are no precedents in place. Should an order of significant size be sent in to the Registrant, then additional funds may be necessary to fulfill potential volumes required. The Registrant continues to work with its creditors and rely on its CEO for funding. The CEO has been adding personal funds as outlined in previous filings. The compensation amounts are to be established by a mutual agreement of the CEO and the Company's BOD at a later date with a yet to be determined amount of cash, stock and stock options, as permitted by the laws administered by the SEC and by Registrant's Board of Directors. As stated in Registrant's Form 10-K FYE September 30, 2010, 'Plan of Operations' pages 23, 26, and 27; "Management believes that minimum funds sought to be raised during 2010 and 2011 and projected revenues from operations will be sufficient to reach self-sufficiency by late 2011 or early 2012". To date, the minimum funds necessary have been met in part by the Company working closely with its creditors, however there are no guarantees that the minimum funds necessary for future operations and/or expansion will be met. As noted throughout the Registrants filings, "any investment in the Company should be considered to be speculative or risky." Expansion of the business into 2012 and beyond will require additional investment through private placement offers or the ability of the Company to secure funding elsewhere. The funding elsewhere may be in the form of the Registrant's Board members, outside sources, and or its efforts to raise 2.5MM through the state of Rhode Island loan guarantee program.
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The Registrant is in discussions with several investment groups to secure bridge financing in the amount of \$250,000.00 or more. The Company and its management believe that this amount in addition to anticipated sales will carry the Company for the next six months or beyond. Should the Company not meet its intended capital raise goals and/or anticipated sales targets by early 2012, it may cease to exist under its current structure. The Company does not have any contracts currently in place.

The Registrant continues to work with the State of Rhode Island and its Rhode Island Economic Development group towards a 100% Guaranteed Loan Program in which the Registrant has applied for a 2.5 million dollar loan. The Registrant is under contract with Shields Securities, Inc., of Waltham, MA (see exhibit 10.33) in connection with the Rhode Island program. As the initial hearings were delayed by the State of Rhode Island, the Company is still working with Shields Securities, Inc. and waiting for confirmation of its presentation date. The Registrant's file is in the State's possession.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk, page 28

8. In response to your question about the Registrant's placement of disclosure of the Risk Factors section under Item 1A, changes will be made by the Registrant to amend its 10-K filing to disclose that both its independent auditors issued a going concern opinion and that its disclosure controls and procedures were not effective as of September 30, 2010. As the Registrant may still be considered a "growth stage company" which is poorly capitalized, it should be noted that any investment in the Company is considered to be speculative or risky. Should the Company not meet its intended capital raise amounts and/or anticipated sales targets by early 2012, it may cease to exist under its current structure.

Item 9A. Controls and Procedures, page 30

9. In response to your question about the Registrant's disclosure indicating that the Company's disclosure controls and procedures were not effective as of the period covered by its report; the Registrant's controls and procedures were thought not to be effective given the conditions that led to changes in the Registrant's independent auditors, which was no fault of the Company. The Company had typically relied on its independent auditor to monitor internal controls. When it turned out that they (CBN&M) were deficient in other areas not directly related to the Company, it led the Company to question its belief that its controls and procedures were adequate. Otherwise, the Registrant's disclosure controls and procedures as defined by Exchange Act Rules 13a-15 were as stated in Item 9A. Controls and Procedures, paragraph 2 in Registrant's 10-K filing, "As of the end of the period covered by this Report we conducted an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(b) and 15d-15(b). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were ineffective as of September 30, 2010." The Registrant will add as an amendment to its Form 10-K for fiscal year ended September 30, 2010, by providing the updated and more accurate information on disclosure controls and procedures as such; "Due to the Registrant's limited staff, the Company's CEO, part-time CFO and bookkeeper are responsible for accumulating and communicating the information required to the Registrant's independent auditor such that it would allow for any timely discussions regarding such information. This would also assume that the Registrant is able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- a. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Registrant;
- b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Registrant are being made only in accordance with authorizations of management and directors of the Registrant; and
- c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Registrant's assets that could have a material effect on the financial statements.”

The Registrant's Audit Committee is comprised of two Directors who meet during Board meetings. As the Registrant is a small operation and due to current economic conditions, it relies on a part-time CFO and a part-time bookkeeper. As such, it also relies heavily on its independent auditors for guidance in its disclosure controls and procedures.

10. In response to your question about the Registrant and its Management's response over internal control or its failure to report Management's assessment of internal control of financial reporting as of September 30, 2010 as required by Item 308 of Regulation S-K, it is the Registrant's evaluation that it has the following; Only a few key people have access to security codes necessary to access any necessary information regarding financial information. As stated above, the Registrant's Audit Committee consists of two Board members; The Registrant relies heavily on its independent auditors for adequacy of its financial reporting; Any checks signed for the Company over \$500.00 must be signed by two people one of whom is its CEO. The Registrant will add as an amendment to its Form 10-K for fiscal year ended September 30, 2010, an updated management's report on internal control of financial reporting. As previously stated in its response to the staff, Item 9A. Controls and Procedures, question 16 dated October 17, 2011, the Registrant has made changes to its internal control of financial reporting as required by Item 308(a)(1)-(3) of Regulation S-K, to make it more effective.

Item 15. Exhibits, page 37

11. In response to your question about the Registrant's re-numbering of exhibits to correspond with the exhibit numbers provided by Item 601 of Regulation S-K changes will be made by the Registrant to amend its 10-K filing and future filings including its agreement with IntraMalls LLC. See Company's agreement with IntraMalls LLC accompanied herewith.

Form 10-Q for the Fiscal Quarter Ended June 30, 2011

Item 4. Controls and Procedures, page 10

12. In response to your request about the Registrant's statement of internal control and procedures in future filings, the Registrant will state clearly that its disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and that, if true, its principal executive officer and principal financial officer will conclude that its disclosure controls and procedures are effective at a reasonable assurance level.

The Registrant acknowledges that:

- It is responsible for the adequacy and accuracy of the disclosure in the filing;
- Staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- The Company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Respectfully submitted,

Samuel F.H. Jeffries, President

January 11, 2012



INTRAMALLS SUPPLIER SERVICE AGREEMENT

This Supplier Service Agreement (the "Agreement") is made and entered into this 5th day of Nov, 2010 ("Effective Date"), by and between IntraMalls LLC (the "Company"), 120 Cockeysville Rd, Suite 204; Hunt Valley, MD 21030, and OSM Inc., ("Supplier") located at 114 Broadway, Raynham, MA 02767.

The "Supplier" will participate in the NIH IntraMall e-commerce platforms (INTRAMALLS Platforms) developed by the "Company" for government or commercial Buyers.

Fee: The Supplier agrees to pay a transaction fee for orders of Supplier products placed through the INTRAMALLS Platforms. The transaction fee shall be based on Net Sales price (gross sales less taxes, shipping and export/import costs, duties or excises) for all Products sold as a result of orders forwarded by the Company to the Supplier. **The transaction fee to be paid by the Supplier is 2.00% of Net Sales for orders valued at less than \$2,500.00. For orders with a value greater than or equal to \$2,500.00, the transaction fee will be fixed at \$12.50 each.**

Term: This Agreement shall continue for a term of three (3) years from the date hereof, and shall automatically renew for the same period unless either party provides a written notice of termination at least thirty (30) days prior to the expiration date.

SUPPLIER RESPONSIBILITIES

Information Confidentiality: The Supplier agrees to keep all information provided by the Company confidential. The information shall include, but not be limited to trade secrets, ideas, processes, formulas, computer software, data, marketing plans, business and product development plans and Company/Supplier relationships. Confidentiality shall be respected for a period extending three (3) years from the date of expiration or termination of this Agreement.

Product Information: The Supplier agrees to provide the Company representative information regarding its Products offered for sale through the INTRAMALLS Platform during the term of this agreement, which includes without limitation (a) any quantity discounts or other special prices offered to its customers (b) product data sheets and price lists and (c) lists upon request of products that require either Supplier or Customers to possess governmental or other licenses, permits, or approvals, and special recordkeeping. The Supplier agrees to disclose product price increases and updates to the company in advance in an electronic format mutually agreed upon by the parties. It is the sole responsibility of the Supplier to ensure that the product information provided to the company is accurate and remains up-to-date. Supplier further agrees to notify the Company of any investigations or inquiries from governmental regulatory agencies or claims by third parties concerning the sale, distribution, or transportation of their products.

Order Processing: The Supplier agrees to expeditiously and in a timely manner process and ship all orders to the Buyer received through the INTRAMALLS Platform and to update on the INTRAMALLS Platform each shipment placed against all orders. The Supplier agrees to directly contact the Buyer if the order(s) through the INTRAMALLS Platform cannot be processed.

Unacceptable Use:

The following activities are unacceptable uses of the Company website.

Illegality in any form, including but not limited to activities such as unauthorized distribution or copying of copyrighted software, violation of U.S. export restrictions, harassment, fraud, trafficking in obscene material, drug dealing, and other illegal activities.

Net abuse, including but not limited to activities such as using a non-existent email return address on a commercial solicitation, spamming (sending unsolicited advertising to numerous email addresses or newsgroups and/or generating a significantly higher volume of outgoing email than a normal user), trolling (posting outrageous messages to generate numerous responses), mailbombing (sending multiple messages without significant new content to the same user), subscribing someone else to a mailing list without that person's permission, cross-posting articles to an excessive number of newsgroups, or attempting without authorization to enter into a secured computer system. The Company reserves the right to determine what constitutes net abuse.

Tortuous conduct, including but not limited to posting of defamatory, scandalous, or private information about a person without their consent, intentionally inflicting emotional distress, or violating trademarks, copyrights, or other intellectual property rights.

Misuse of system resources, including but not limited to employing posts or programs, which consume excessive CPU time or storage space; permitting use of mail services, mail forwarding capabilities, POP accounts, or auto-responders other than for the customer's own account; or resale of access to CGI scripts installed on our servers.

Product Warranties: The Supplier agrees to honor all warranties for its products purchased through the INTRAMALLS Platform, according to the Supplier's terms and conditions in effect at the time of each discreet sale.

Returns & Replacements: Returns & Replacements shall be the sole responsibility of the Supplier. The Supplier will extend the terms of returns and replacements for orders placed through the INTRAMALLS Platform by the Buyer, according to Supplier's terms and conditions.

COMPANY RESPONSIBILITIES

Information Confidentiality: The Company agrees to keep all Supplier information (including special pricing, service contracts, payment card numbers, product development plans, ideas, processes, formulas, etc) provided by the Supplier confidential for a period extending three (3) years from the date of expiration or termination of this Agreement.

Product Information: The Company agrees to provide all information on its INTRAMALLS Platform without any bias. The Company agrees to provide all the technology and resources necessary for its said business.

Order Processing: The Company is to make available to the Supplier all orders automatically through the INTRAMALLS Platform. The Company is providing prompt and direct access for Suppliers to retrieve orders.

Transaction Fee Billing: The Company will provide a transaction summary statement to the Supplier for all orders placed through the INTRAMALLS Platform during a monthly billing period (the "Billing Period"). The Supplier agrees to pay the total Transaction Fee to the Company Net 30 days for all transactions during such Billing Period.

Information Ownership: All information on the INTRAMALLS Platform, or information that has been developed by the Company personnel, is the sole property of the Company and belongs to the Company in its entirety.

Authorization: All Supplier copyrighted material, trademarks, service marks, logos, etc provided to the Company are the property of the Supplier. The Supplier hereby grants the Company a non-exclusive, limited license to use the Supplier name, logo, stylized fonts, and any other applicable trademarks relating to Supplier Products, solely in the promotion of the Supplier, and the INTRAMALLS Platform only in accordance with Supplier's specifications and prior approval.

Indemnity: The Supplier agrees to defend and indemnify, at its expense, the Company from and against any claim or suit brought against the Company arising out of the Supplier's use of the INTRAMALLS Platform for providing product information and purchasing. The Supplier takes responsibility to the extent that such a claim is a claim of (I) product defect(s), (II) pricing practice(s), (III) infringement of any patent, copyright, trademark or trade secrets or (IV) failure to pay any taxes or fees which the Supplier is obligated to pay. The Company takes responsibility for liabilities, claims, demands or actions arising out of the Company's gross negligence or willful misconduct.

Disclaimer of Warranties: THE SUPPLIER ASSUMES TOTAL RESPONSIBILITY FOR THE USE OF THE COMPANY WEBSITE ON THE INTERNET. THE COMPANY MAKES NO EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR ENDORSEMENTS REGARDING ANY MERCHANDISE, INFORMATION, PRODUCTS OR SERVICES PROVIDED THROUGH THE INTERNET. THE SERVICE IS PROVIDED ON AN "AS IS" AND "WITH ALL FAULTS" BASIS WITHOUT WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NO ADVICE OR INFORMATION GIVEN BY THE COMPANY'S EMPLOYEES, AGENTS OR CONTRACTORS SHALL CREATE A WARRANTY.

Limitation of Liability: UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES THAT RESULT FROM SUPPLIERS' USE OF OR INABILITY TO ACCESS ANY PART OF THE INTERNET OR SUPPLIERS' RELIANCE ON OR USE OF INFORMATION, SERVICES OR MERCHANDISE PROVIDED ON OR THROUGH THE SERVICE, OR THAT RESULT FROM MISTAKES, OMISSIONS, INTERRUPTIONS, LOSS, THEFT, OR DELETION OF FILES, ERRORS, DEFECTS, DELAYS IN OPERATION, OR TRANSMISSION, OR ANY FAILURE OF PERFORMANCE.

Miscellaneous: This Agreement and its exhibits constitute the entire agreement between the parties with respect to the subject matter hereof and supercede all prior proposals, negotiations, conversations, discussions, and agreements between the parties concerning the subject matter hereof. No amendment or modification of any provision of this Agreement shall be effective unless the same shall be in writing and signed by both parties.

Governing Law: This Agreement shall be governed by and construed by the laws according to the State of Maryland.

NOW THEREFORE, the parties enter into this Agreement as of the date written below.

IntraMalls LLC

Signature _____ Date _____

Name: Brian Stauffer _____

Title: Chief Executive Officer _____

OSM Inc.

Signature  _____ Date 11-8-18 _____

Name: Sam J. Jett _____

Title: President _____
FEDERAL TAX ID NO. (FEIN): 33-1069593



SUPPLIER AGREEMENT

This Agreement between W.W. Grainger, Inc., for and on behalf of itself, and its current and future subsidiaries, divisions and affiliates ("Grainger") with general business offices at 100 Grainger Parkway, Lake Forest, IL 60045-5201 and ORGANIC SALES AND MARKETING INC. ("Supplier") with general business offices at 114 BROADWAY RAYNHAM MA US 02767 and with a Grainger supplier number of 0020008448 sets forth the mutual understanding of the terms and conditions governing the parties' relationship.

1 CONDITIONS OF SALE

All Grainger purchases from Supplier shall be controlled by this Supplier Agreement, the Grainger Supplier Handbook, other requirements found at www.supplierconnect.com, and in Grainger's Purchase Order Terms, all of which are incorporated by reference, and all of which are referred to hereinafter as this "Agreement". Supplier's signature signifies its acceptance of the terms and conditions set forth in this Agreement. Grainger and Supplier acknowledge that this Agreement is not a guarantee of any specific volume purchase level.

2 TERM

The Initial Term is One (1) year(s) beginning 15-May-2010 and ending 14-May-2011 for this Agreement. This Agreement's term will automatically renew for successive One (1) year periods (each a "Renewal Term").

3 PRODUCT COST

a. Products means all items offered for sale by Supplier to Grainger ("Products"). Prices that Supplier charges Grainger are based on Supplier's quotation of costs for Products ("Product Cost Quotation"), dated 27-Apr-2010 which is attached, as Exhibit A and incorporated by reference herein. Grainger's purchase price for Products, exclusive of shipping, is the product cost set forth in the Product Cost Quotation ("Product Cost"). Grainger will not accept additional charges or fees such as minimum order fees, charges or surcharges and will not be held to minimum order quantities.

The attached Product Cost Quotation shall be binding on Supplier and shall not change through the Product Cost Cycle (as defined below) for which it is submitted, or for another period as mutually agreed upon in writing. "Product Cost Cycle" means any twelve month period beginning on February 1 and ending on January 31. In order for Grainger to consider any proposed changes to a Product Cost Quotation for the next Product Cost Cycle, a written request for such changes must be received by Grainger by July 1 of the current Product Cost Cycle. If Supplier does not request any changes to a Product Cost Quotation by July 1 of any given Product Cost Cycle, the Product Cost Quotation shall be binding on Supplier and shall not increase through the next Product Cost Cycle.

By way of example, if a Product Cost Quotation is in effect for a Product Cost Cycle beginning on February 1, 2009 and ending on January 31, 2010, Grainger will not consider a change to that Product Cost Quotation for the Product Cost Cycle beginning on February 1, 2010 and ending on January 31, 2011, unless Grainger has received a written request for such change by July 1, 2009; and if Grainger has not received such a request by July 1, 2009, the Product Cost Quotation shall be binding on Supplier and shall not change for the Product Cost Cycle beginning on February 1, 2010 and ending on January 31, 2011. If a change to the Product Cost Quotation in the foregoing example is received after July 1, 2009, Grainger may, at its option, approve such change for the Product Cost Cycle beginning on February 1, 2011 and ending on January 31, 2012.

In all cases, any changes to a Product Cost Quotation must be approved in writing by Grainger, and such approved changes shall remain in effect for the Product Cost Cycle for which they were approved by Grainger.

b. If Supplier violates paragraph 3a. by raising Product Cost without Grainger approval, Grainger may pay such increased Product Cost in view of its constraints in substituting other Products. If it does so, however, Grainger shall not have waived any rights or remedies it may have against Supplier, and it reserves the right to assess Supplier with charges, debits or setoffs on account of Supplier raising Product Cost without its approval.

c. Product Cost and shipping charges for purchases under this Agreement will not exceed the lowest Product Cost and shipping charges in effect for any of Supplier's other customers with similar distribution channels and similar purchase volumes for the same or similar Products on or about the date that a purchase order is accepted by Supplier.

4 INVOICING AND PAYMENT TERMS

All invoices will be issued and paid in accordance with the payment terms hereunder ("Payment Terms") after Grainger's final Receipt of Goods Date at a Grainger designated location. Grainger invoice Payment Terms for undisputed invoices are 2% 10 NET 60 and the Product Cost effective date shall be the date on Date on Purchase Order not the date Products are shipped by Supplier.

5 ELECTRONIC SUPPLIER TRADING STRATEGIES

Supplier and Grainger will transmit electronically standard business documents to each other, either directly or through a designated third party system, including advance ship notices (ASN), invoices, purchase orders, and functional acknowledgements.

6 FREIGHT TERMS AND LEAD TIMES

Supplier agrees to ship Products to Grainger branches, customers, distribution centers, and other applicable locations using the applicable freight terms below. Lead time is defined as the time-period, in business days, between when a Supplier receives a Purchase Order from Grainger and the Grainger requested ship date ("Lead Time"). Product Lead Times are assigned or modified during the new item addition process as well as during on-going performance reviews.

6.1 Grainger (except Grainger Parts and Grainger Sourcing)

Title and Risk of Loss: **FOB Destination**

Distribution Centers (standard stocking): **Freight Collect with a Lead Time of Five Days**
Branches (non-standard stocking): **Freight Collect with a Lead Time of 24 Hours**
Drop ship to Grainger customer: **Freight Collect with a Lead Time of 24 Hours**

6.2 Grainger Parts

Title and Risk of Loss: **FOB Destination**

Distribution Centers (standard stocking): **Freight Collect with a Lead Time of Five Days**
Branches (non-standard stocking): **Freight Collect with a Lead Time of 24 Hours**
Drop ship to Grainger customer: **Freight Collect with a Lead Time of 24 Hours**

6.3 Grainger Sourcing

Title and Risk of Loss: **FOB Destination**

Drop ship to Grainger customer: **Freight Collect with a Lead Time of 24 Hours** for in-stock Product and **Varies-Per Quote** for special ordered Product.

7 SUPPLIER PERFORMANCE

a. Supplier must meet or exceed the minimum performance metrics set forth at www.supplierconnect.com. Grainger requires its Suppliers to act honestly and ethically, and avoid the appearance of impropriety. Grainger will not do business with Suppliers that do not comply with these expectations.

b. Grainger employees are prohibited by Business Conduct Guidelines and other policies from requesting or accepting any offer of financial or other benefits, gifts, samples or any other inducement from Suppliers, and Suppliers are prohibited from offering such benefits, gifts, samples or inducements to Grainger employees.

c. Upon request by Grainger, Supplier shall provide written assurances of continued performance consistent with this Agreement, including without limitation, financial statements and information as may be requested by Grainger.

8 MARKETING FUNDING and COST OF GOODS

Supplier shall provide marketing funding ("Marketing Funding") to support Grainger's marketing programs for **Grainger, Parts, Grainger Sourcing** and Lab Safety Supply (if applicable) at an amount of 4% of cost of goods sold. Grainger cost of goods sold ("COGS") is defined as the quantity of Products sold by Grainger to customers during a stated marketing funding term, multiplied by Supplier Invoiced Product Cost to Grainger, less Grainger customer Product returns and applicable customer specific cost support provided by Supplier to Grainger. Grainger will determine the COGS amount and issue a Debit memo ("Debit Memo") for Marketing Funding, **Quarterly** within **Forty-Five (45) Days** after the end of each quarter.

9 REBATES

Not Applicable

10 PRODUCT WARRANTY

Supplier's standard published warranty will be passed through and assigned to Grainger's customers on the date of a Grainger customer Product purchase. Supplier shall accept all returned Product from Grainger upon Grainger's determination of Product failures, or defects or problems in the design, materials, quality, manufacture or workmanship with respect to the Product ("Product Failure"). In addition Supplier shall also:

a. Provide Full Cost reimbursement for all Product Failures, **100%** for Grainger, **100%** for Parts Company, and **100%** for FindMRO Grainger Sourcing, including for all Products returned from customers for "IN" warranty Product Failures. Full Cost ("Full Cost") means the Product Cost plus shipping and related costs. This shall include **100%** reimbursement of Product Cost for no charge parts sent to customers, and for Products that are returned to Supplier and/or scrapped by Grainger.

b. The Full Cost reimbursement required by paragraph 10(a) shall be in the form of a **Debit Memo** issued **Quarterly** by Grainger which shall exclude Products with a disposition of being repairable.

10.1 PRODUCT DISPOSITION

A Product is "IN" warranty within one year of a Grainger customer purchase and is "OUT" of warranty after one year of a Grainger customer purchase. Individual disposition codes for each Product are shown below:

10.1.1 "IN" DISPOSITION: Scrap (0)

Scraping of Products is allowed based at the **Vendor (All Products)** level.

10.1.2 "OUT" DISPOSITION: Advise No Adjustment (9)

Products where we will advise no adjustment or action will be taken are at the **Vendor (All Products)** level.

10.1.3 Grainger Sourcing Disposition:

The quotation from Supplier will contain specific information for Product disposition of a sourced Product.

11 PRODUCT RETURNS FOR EXCESS, REPLACEMENT, DISCONTINUED INVENTORY, AND OTHER PRODUCT RETURNS

11.1 Excess Inventory

Grainger reserves the right to review its inventory position and return Product to Supplier for Product Cost reimbursement, without penalties or restocking fees.

11.2 Product Discontinued by Supplier and Replacement Products

Supplier shall provide ninety (90) days prior written notice in the event it discontinues a Product ("Discontinued Product"). In the event that Supplier substitutes a Discontinued Product with a replacement Product using the same manufacturer's model number as the Discontinued Product, and Grainger accepts such replacement Product in writing, then within sixty (60) days of such written notice of acceptance by Grainger, Supplier shall ship such replacement Product to a Grainger facility. Grainger shall have the option to return any Discontinued Product to Supplier for Full Cost reimbursement, including all of Grainger's reasonable verified costs of implementing returns, without penalties or restocking fees, within one hundred twenty (120) days from either the date of receipt of replacement Product or its notice to Supplier that it will not accept replacement Product, or if there is no replacement Product, within one hundred twenty (120) days from the date Grainger receives written notice of discontinuance.

11.3 Other Products that may be returned by Grainger

Grainger shall have the right to return Product to Supplier for Full Cost reimbursement, including all of Grainger's reasonable verified costs of implementing returns, without penalties or restocking fees, as specified in paragraphs 12, 13, 18(a), 23 and 24 hereafter.

11.4 Process for Returns

To facilitate returns pursuant to paragraphs 11.1, 11.2 and 11.3 (collectively, "Returns"), Grainger will advise Supplier, in advance, of the quantity and value of Product being returned, request a return goods authorization ("RGA") from Supplier, Grainger will pay the freight to ship Returns and coordinate shipments to Supplier. Except with respect to Returns made by Grainger pursuant to paragraph 11.1, Supplier will pay all of Grainger's reasonable verified costs of implementing Returns, including freight charges. In addition, with respect to Returns pursuant to paragraph 12, Supplier will also pay for all administrative and labor expenses, and handling and other fees associated with such Returns. Supplier will promptly issue RGAs when requested and will promptly handle Returns, and Grainger will issue a Debit Memo to Supplier within Thirty (30) Days of Supplier's receipt of any Product that has been returned, in the event of a Termination in accordance with paragraph 23, if the amount owed by Supplier to Grainger for Returns exceeds the amount then owed by Grainger to Supplier, Supplier shall promptly issue a Check to Grainger in the amount of such excess within One Hundred Eighty (180) Days of the issuance of a written notice of Termination.

12 STOP SALES, RECALLS AND CORRECTIVE ACTIONS

Supplier shall immediately notify Grainger, in writing, of any potential or actual stop sale, Product recall, corrective action, Product or quality control action or retrofit, or regulatory action involving a Product sold by Supplier to Grainger ("Product Regulatory Action"). If requested by Grainger, Supplier shall, at Supplier's expense, immediately notify all Grainger customers who, according to Grainger's records, have received Products subject to a Product Regulatory Action. Grainger shall have the right to return to Supplier all of Grainger's inventory of Products subject to a Product Regulatory Action in accordance with paragraph 11.4.

At its election, Grainger may issue a Debit Memo to or otherwise be reimbursed by Supplier for reasonably verified business interruption costs relating to a Product Regulatory Action, including those that resulted in Grainger being unable to sell affected Products in a particular jurisdiction as a result of a Product Regulatory Action. Such reimbursable costs include but are not limited to reasonable costs associated with the identification and notification of customers, and the processing of a Product Regulatory Action (including labor and materials for the repair and replacement of Products, freight and handling charges, customer service, administration, etc.). Such reimbursement excludes lost profits and/or lost business opportunities.

13 INSURANCE AND INDEMNITY

13.1 Insurance

Supplier will provide Product Liability Insurance to cover all Products sold to Grainger in accordance with all requirements set forth at www.supplierconnect.com. Grainger considers evidence of Product Liability Insurance to be a copy of an Accord Certificate of Insurance and a copy of the Additional Insured Vendors Endorsement (Form CG 20 15 11 88) issued by Supplier's insurance company or broker. Grainger requires that Supplier provide proof of insurance before or upon execution of this Agreement and annually thereafter as Supplier's Product Liability Insurance renews.

13.2 Indemnity

Supplier shall protect, defend, indemnify, assume any liability, save and hold harmless Grainger, its agents, customers, officers, directors, employees, insurers, and its successors and assigns, from and against any allegations, claims, demands, lawsuits, liabilities, penalties, losses, damages, charges, settlements, judgments, costs and expenses (including attorneys' and experts' fees), which may be incurred by or asserted against Grainger ("Liabilities") relating to any Product or service provided to Grainger at any time, including but not limited to all Liabilities arising out of, or allegedly based on: (i) any alleged Product defect or product liability claim, including but not limited to improper or insufficient Product labeling, failure to warn or failure to label; (ii) any breach of warranty or representation (express or implied) or misrepresentation; (iii) the Supplier's Product literature, including operating instructions parts manuals ("OIPM"); (iv) any Product Regulatory Action; (v) any actual or alleged violation with respect to any international, federal, state or local treaty, law (including common law), statute, ordinance, administrative order, rule, regulation or regulatory proposition, enactment or resolution ("Law"); (vi) any claim of patent, trademark, copyright or trade dress infringement or any other violation of a third party's proprietary or contract rights; (vii) Supplier's joint marketing or training activities with Grainger; or (viii) any breach of any of Supplier's certifications, warranties, representations and obligations under this Agreement.

If a Supplier is providing "Aircraft Products" to Grainger, Supplier shall be responsible for notifying its insurer of the existence of its contractual obligation to indemnify Grainger, and ensure that all necessary steps are taken to insure this indemnification obligation under Supplier's applicable insurance policy(s). If Supplier's insurer rejects this indemnification obligation, Supplier must immediately provide notification of such rejection to Grainger, and Grainger shall have the right to cancel any unfilled Purchase Orders for Aircraft Products and to return to Supplier, in accordance with paragraph 11.4, any Aircraft Products in Grainger's inventory.

14 LIMITATION OF LIABILITY

Except as otherwise provided in this Agreement, neither Supplier nor Grainger will be liable to each other for any indirect, consequential, exemplary or punitive damages, including lost profits, whether in tort, contract, strict liability, or under any other legal theory at law or in equity.

15 PRODUCT INFORMATION, DATA APPROVAL AND ANNUAL CERTIFICATION

Upon the execution of this Agreement, and on a continuing basis thereafter upon Grainger's request, Supplier shall provide to Grainger current, complete and accurate data and information for all Products, including but not limited to regulatory compliance information, Product sale restrictions, country of origin information, catalog content information, competitor cross-reference data, and other information relating to paragraphs 18-20 ("Product Information"). Supplier shall annually or upon other request, review and promptly approve and certify to the accuracy of Product Information and data provided to Grainger. Further, Supplier shall promptly provide Grainger with any revised Product Information prior to changes or requirements becoming applicable that affect or prohibit Grainger from selling, storing or shipping Product.

16 PRODUCT INFORMATION, DATA RIGHTS AND SUPPLIER MARKS

Supplier grants to Grainger a non-exclusive irrevocable, worldwide, royalty-free right to use Product Information and data provided by Supplier, including but not limited to, manuals, applications, safety information and cross reference data, in connection with Grainger's business. This right includes, but is not limited to, the right to use, copy, publish, sell, transfer, distribute, and prepare derivative works containing or translations of Product Information by any method and in any media. These rights may be exercised by Grainger effective with the date of this Agreement (or previously if granted prior hereto).

Supplier grants to Grainger a non-exclusive, irrevocable, worldwide, royalty-free right to use Supplier trademarks, logos, service marks, trade names, copyrighted material, internet key words, and domain names ("Supplier Marks") in connection with Grainger's business, including in Grainger catalogs, web sites, and other electronic and paper media. This right includes, but is not limited to, the right to use, copy, sell, publish, transfer, distribute, and prepare derivative works containing or translations of Supplier Marks by any method and in any media; and to use Supplier Marks with any promotional, sales or marketing materials, documentation or information. These rights may be exercised by Grainger effective with the date of this Agreement (or previously if granted prior hereto).

17 PRIVATE LABEL MATERIALS AND GRAINGER MARKS

If Supplier is manufacturing private label products for Grainger ("Private Label Products"), and using Grainger trademarks in connection therewith ("Grainger Marks"), it will execute a trademark license in a form provided by Grainger. Grainger hereby further grants Supplier a revocable, non-exclusive, non-transferable, royalty-free license to use, during the term of this Agreement, Product Information, specifications, ideas, know-how, molds, tooling, manuals, OIPM's, literature, and other materials ("Private Label Materials") solely for the purpose of manufacturing such Private Label Products for Grainger. Supplier acknowledges that Grainger paid for, provided, or authorized the use of Grainger Marks and Private Label Materials in the manufacture of Private Label Products, and that such Private Label Materials are owned by Grainger. Private Label Materials are confidential and proprietary and shall be used solely for the manufacture of Private Label Products for Grainger, and shall be returned to Grainger without fee promptly upon request.

Upon reasonable notice by Grainger, Supplier shall make Grainger Private Label Materials available for inspection by Grainger. Stock numbers and stock keeping unit numbers (collectively "SKUs") used by Grainger ("Grainger SKUs") are Grainger proprietary information, and may be reassigned and reused at Grainger's sole discretion.

18 COMPLIANCE WITH LAWS, HAZARDOUS PRODUCT LABELING AND REGULATORY COMPLIANCE

a. Supplier certifies, represents and warrants as of the execution date of this Agreement and on a continuing basis thereafter that its Products and the sale, design, manufacture, and labeling of its Products are and shall be in compliance with all Laws, including Environmental Laws as defined below. Supplier shall furnish upon request all information evidencing compliance with Laws and Environmental Laws. Environmental Laws are laws pertaining to the environment, and the toxic or hazardous nature of Products or their constituents; including but not limited to the Toxic Substance Control Act, the Occupational Safety and Health Act ("OSHA"), the Hazard Communication Standard, the Federal Hazardous Substances Act, California Proposition 65, REACH, Restriction of Hazardous Substances Directive ("RoHS" regulations) and any other environmental, toxic or hazardous product compliance obligation (collectively, "Environmental Laws").

Supplier shall inform Grainger in writing no less than sixty days (60) days prior to a Product Regulatory Action or any modification of Laws or Environmental Laws that restrict or prohibit Grainger from selling or transporting Products. If such Product Regulatory Action or modification prohibits the sale of Products, Grainger shall have the return rights set forth in paragraph 12.

Supplier shall inform Grainger no less than sixty (60) days prior to any shipment to Grainger or its customers of reformulated Product. Grainger shall have the right to elect whether to accept reformulated Product, and shall notify Supplier accordingly. If Grainger accepts reformulated Product, Supplier shall, when such Products are shipped, identify all Product reformulations with separate batch, product number or lot numbers.

Supplier certifies, represents and warrants as of the execution date of this Agreement and on a continuing basis thereafter that Products do not and will not contain asbestos, and do not and will not contain mercury or other chemicals or heavy metals in excess of amounts permitted by Law. If Supplier supplies Grainger hazardous materials as defined by Environmental Laws, including the provisions promulgated by the Federal Department of Transportation, Supplier shall warn, label and ship such hazardous materials in accordance with Environmental Laws.

Upon shipment and on an ongoing basis, Supplier shall provide Grainger with current OSHA Material Safety Data Sheets and all other information needed to comply with applicable Environmental Laws.

b. Supplier may be subject to a number of federal regulations incorporated into Grainger's federal prime contracts. Supplier shall comply with the following federal regulations, to the extent applicable: 52.203-13, (Contractor Code of Business Ethics and Conduct); 52.203-15 (Whistleblower Protections under the ARRA), 52.212-5 (d) (1) (Comptroller General Examination of Record) (i) 52.219-8 (Utilization of Small Business Concerns); (ii) 52.222-26 (Equal Opportunity); (iii) 52.222-35 (Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans); (iv) 52.222-36 (Affirmative Action for Workers with Disabilities); (v) 52.222-39 (Notification of Employee Rights Concerning Payment of Union Dues or Fees); (vi) 52.222-41 (Service Contract Act of 1965); (vii) 52.222-50, (Combating Trafficking in Persons); (viii) 52.222-51 (Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements); (ix) 52.222-53 (Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements); 52.222-54, (Employment Eligibility Verification); 52.226-6 (Promoting Excess Food Donation to Nonprofit Organizations); (x) 52.247-64 (Preference for Privately Owned U.S.-Flag Commercial Vessels); and (xi) 52.203-13 (Contractor Code of Business Ethics and Conduct).

c. Supplier shall comply with applicable Consumer Product Safety Commission regulations including providing certificates of conformity as required by the Consumer Product Safety Improvement Act of 2008.

19 SUSTAINABILITY INITIATIVES

Supplier shall, upon Grainger's request, promptly inform Grainger whether it has implemented "green" manufacturing practices and/or obtained "green" or other environmental certifications from a verified third party standards certification organization or other applicable body. In doing so, Supplier shall provide Grainger information and substantiation for such certifications, and shall execute certifications upon Grainger's request. Such information shall include specifically which Products, manufacturing sites or facilities are included in such certifications. Further, Supplier grants Grainger the right to feature Supplier's Products that have been granted such certifications in its catalogs, marketing materials and other Product Information, including the right to use any such logo associated with the certifications. Supplier shall promptly update Grainger in writing on an ongoing basis of changes in its "green" Products and manufacturing status.

20 COUNTRY OF ORIGIN, NAFTA AND OTHER TARIFF TERMS

Supplier certifies, represents and warrants as of the execution date of this Agreement and on a continuing basis thereafter that all country of origin labeling, identification, certifications, and Product Information is and will be current and accurate. Supplier shall comply with all applicable trade Laws, including but not limited to the Buy America Act and Trade Agreements Acts. Supplier shall mark all Products and/or packaging with correct country of origin markings, and provide accurate Export Commodity Control Numbers ("ECCNs") and US Census Bureau Schedule B Harmonized Tariff codes in conformity with all applicable trade Laws, including but not limited to the Buy America Act and Trade Agreements Acts.

If Products qualify for preferential treatment under the North American Free Trade Agreement ("NAFTA"), Supplier shall provide a properly completed and signed NAFTA certificate of origin. If Products do not qualify for preferential treatment under NAFTA, Supplier shall provide the correct country of origin or where the last substantial transformation occurred.

Supplier shall update and notify Grainger on a timely and continuing basis of changes in country of origin, NAFTA information, harmonized tariff codes, ECCNs and Product Information. Supplier shall cooperate promptly with all information requests and solicitations for Product Information required under this paragraph.

If Supplier does not comply with the provisions of this paragraph 20, Supplier's Products will not be available for export or sale under government contracts.

21 REQUIREMENTS FOR MEXICO

Not Applicable

22 WORLDWIDE EXPORT RIGHTS

Supplier grants Grainger non-exclusive rights to advertise and sell Supplier's Products only within the United States.

23 TERMINATION AND PRODUCT DISCONTINUANCE RIGHTS AND OBLIGATIONS

23.1 Termination

Subject to any continuing obligations of this Agreement, this Agreement may be terminated without cause by Grainger or Supplier upon written notice (in accordance with paragraph 26.b) to the other party at least **Ninety (90) Days** prior to the expiration of this Agreement's Initial Term or any Renewal Term thereof ("Termination"). In the event of a Termination by either Grainger or Supplier, Grainger shall have the right to return any and all Product held by Grainger in accordance with the provisions of paragraph 11.4.

23.2 Discontinuance of Sale of Products by Supplier

Supplier has the right to discontinue the sale of any Products to Grainger ("Product Discontinuance") without cause upon at least **Ninety (90) Days** prior written notice (in accordance with paragraph 26.b). In the event of such Product Discontinuance, Grainger may return such discontinued product in accordance with paragraph 11.4.

23.3 Cessation of Purchase of Products by Grainger

Grainger has the right to cease purchasing any Products without cause at any time without notice ("Cessation of Purchasing"). Upon Cessation of Purchasing of any Product, Grainger may return any of such Products in accordance with paragraph 11.4.

23.4 Private Label Products

In the event of Termination, Product Discontinuance of Private Label Product, or Cessation of Purchasing of Private Label Product, Grainger may elect to purchase at cost from Supplier any or all Private Label Product name plates, OIPMs, cartons, literature, dies, and other Private Label Materials. If Grainger does not elect to purchase or request the return of all such Private Label Materials, then Supplier shall certify in writing to Grainger within sixty (60) days of such Termination, discontinuance, or cessation that it has destroyed such Private Label Materials, and will not otherwise use, resell or modify any Private Label Products.

24 SURVIVAL AND OTHER CONTINUING OBLIGATIONS OF SUPPLIER UPON TERMINATION, PRODUCT DISCONTINUANCE, OR CESSATION OF PURCHASING

The provisions of paragraphs 3b, 7-14, 16-18, and 22-29, and the attached Exhibits shall survive the Termination of this Agreement indefinitely, unless a specific time period is otherwise specified. In addition, the following continuing obligations of Supplier are triggered upon Termination, Product Discontinuance, or Cessation of Purchasing.

- a. Continue to pay any Rebates, Marketing Funds, Product Failure and Product Warranty Return reimbursement costs ("Funds") to Grainger for all Products purchased by Grainger. In the case of Termination of this Agreement, all Funds then due and payable shall be paid within thirty (30) days of the Termination date.
- b. Continue to ship all Products necessary to fill orders received by Grainger at Grainger's Product Cost in connection with the current edition of Grainger catalogs in effect at the time of Termination, Product Discontinuance, or Cessation of Purchasing.
- c. Allow Grainger sufficient advance lead-time to omit Supplier's Products from Grainger's subsequent catalogs and web sites.
- d. Notify Grainger immediately regarding any potential or actual stop sales, Product recalls, changes in Laws or Product Regulatory Action(s) affecting Products (including Discontinued Products) sold by Supplier to Grainger for a period of five (5) years from date of last shipment.
- e. Continue to support Grainger replacement parts requirements for all Products (if applicable) for a period of three (3) years for national branded items and five (5) years for Private Label Products, in each case, such period to begin on the date of Termination, Product Discontinuance, or Cessation of Purchasing, as the case may be.

f. Allow Grainger to continue to display, promote, and offer for sale Products in Grainger catalogs, web sites, and other media; and continue to use Supplier's Marks in such efforts, using Grainger SKU and/or similar SKU numbers until the last to occur of the following: (i) Product inventory being exhausted; (ii) the most recent edition of Grainger's catalogs expiring; or (iii) Termination.

g. Maintain the insurance prescribed in paragraph 13.1 for a period of five years following Termination of this Agreement.

h. Except as necessary to fill current orders, Supplier shall immediately and permanently cease manufacturing Private Label Products or using any Private Label Materials of Grainger Marks.

25 RIGHT OF INSPECTION

Upon reasonable notice to Supplier, during this Agreement and for three (3) years following the expiration or Termination of this Agreement, Grainger or its designee, upon prior written notice and at Grainger's expense, shall have the right to inspect, copy and review, Supplier's books, records, sales reports, and other documentation, including any in electronic form at a location designated by Supplier in order to (i) confirm that the Product Cost charged to Grainger was based on Supplier's standard published price less agreed upon discounts; (ii) confirm that Supplier performance is consistent with the Agreement; and (iii) confirm compliance with Supplier performance metrics stated in paragraph 7. If an inspection reveals an error, an appropriate credit or payment by Supplier or Grainger will be made within thirty (30) days after identification of the error.

26 ASSIGNMENT AND NOTICES

a. Neither party will assign (by operation of law or otherwise) subcontract, or delegate any rights or obligations contained in this Agreement without the other party's prior written consent, which consent will not be unreasonably withheld. In the event of Supplier's change of name, change of ownership, sale of substantially all assets, merger or acquisition or other disposition in whole or in part, including the filing by or against Supplier of any bankruptcy proceeding, Supplier shall promptly notify Grainger in writing of such changes, actions and proceedings.

b. All notices shall be in writing and sent via certified mail or by internationally recognized air courier service, to the attention of the Product Category Director with whom the relationship is based. Such notice(s) shall be effective upon confirmed receipt of the notice.

27 CONFIDENTIALITY

Each party is governed by the Terms of Registration and Access, which is executed in connection with Supplier's initial registration at www.supplierconnect.com, and by the following terms and conditions of confidentiality:

a. Each party agrees that all information, data, ideas, strategies, pricing, Grainger Private Label Materials, Grainger customer or end-user purchase information, Product Information and Product Cost information, data, and any other documentation, or other information in any format, acquired from, developed by, or conveyed to either party in connection with this Agreement ("Confidential Information") is confidential, proprietary and valuable, and will be held in strict confidence. Access to such Confidential Information shall be limited solely to agents, employees or representatives who have a strict need to know such Confidential Information, and who are subject to confidentiality obligations or agreements with their principal or employer. Such Confidential Information shall not otherwise be disclosed or used by the receiving party or its agents, employees, or representatives without the prior written permission of the providing party of the Confidential Information except as may be required by law, legal process, or stock exchange requirement.

b. Confidential information does not include any Confidential Information which (i) is independently developed by the receiving party; (ii) is approved for release by the providing party; or (iii) is, or becomes, publicly known through no wrongful act of the receiving party; provided however that no Confidential Information shall be disclosed pursuant to subpoena or similar request without prior written notice to the providing party of such Confidential Information where such prior notice is not prohibited by law.

c. Except as set forth herein, the obligations in this paragraph 27 shall survive the Termination of this Agreement for three (3) years after the effective date of such Termination, and in the event of such notice, the receiving party, upon request, shall return all Confidential Information to the providing party. The parties

further agree that the existence and contents of this Agreement are highly confidential and shall not be disclosed by either party, without limitation, in any press release or publicity story, without the prior written consent of the other party.

28 OTHER AGREEMENTS

Notwithstanding other provisions herein, if Supplier or any of its divisions, subsidiaries, or affiliates is a party to any other agreement ("Other Agreement") with Grainger or any of its divisions, subsidiaries or affiliates, Grainger, may in writing at its option and from time to time: (i) deem that purchases of services or Products and related rights and remedies under such Other Agreement made at any time before, on, or after the date of this Agreement shall become subject to the terms of this Agreement, in lieu of the Other Agreement; and the Other Agreement shall thereupon be terminated; or (ii) such Other Agreement shall then be deemed amended to include the same Products and services sold by Supplier to all Grainger entities under the same terms as this Agreement. For purposes of this paragraph, an Other Agreement is deemed to include any purchases or sales of Products which are not under a written agreement, whether based on purchase orders, terms of sales on Grainger websites or otherwise.

29 ENTIRE AGREEMENT, SEVERABILITY

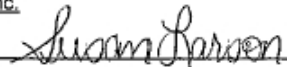
This Agreement, together with the attached Exhibits, all information submitted as part of a line review process, including responses to a Request for Proposal ("RFP"), and those documents and websites referred to herein are incorporated herein by reference (as modified from time to time) constitutes the entire understanding of the parties and supersede all other prior or contemporaneous understandings of the parties with respect to the subject matter hereof. This Agreement may not be altered without the written agreement of the parties; provided, however, that Supplier acknowledges and agrees that Grainger may make changes to the Supplier Handbook, or www.supplierconnect.com or other designated portal, if any, and that Supplier's acceptance of Purchase Orders following such changes constitutes Supplier's agreement to any such changes. To the extent that the provisions of www.supplierconnect.com, Purchase Order Terms, and RFP responses are inconsistent with the language of this Agreement or each other, the language of this Agreement shall control first, then www.supplierconnect.com, then the Purchase Order Terms, and then the RFP responses. If any term or provision of this Agreement is held or deemed to be unenforceable, the remaining terms and provisions shall not be affected thereby and shall continue to be enforceable.

Each person signing this Agreement is duly authorized to bind ORGANIC SALES AND MARKETING INC. to the terms and conditions contained herein. IN WITNESS WHEREOF, the parties have executed this Agreement by its authorized representatives as of the date set forth above in paragraph 2.

**W.W. Grainger, Inc., for and on behalf of itself,
and its current and future subsidiaries, divisions
and affiliates** **ORGANIC SALES AND MARKETING INC.**

Legal Entity: Grainger Industrial Supply, a division of W.W. Grainger Inc.

Legal Entity: ORGANIC SALES AND MARKETING INC.

By (Signature): 

By (Signature): 

Printed: Susan Larson

Printed: SAMUEL JOPPIES

Title as: Product Manager

Title as: PRESIDENT / CEO

Date: 5/19/2010

Date: 5-14-10

Exhibit A
Organic Sales and Marketing Inc.

OSM Model #	OSM Stock #	Brand Name	Product Description
1245-3	81008201245-3	OSM-BRADFIELD ORGANICS	PRO TURF AND ORNAMENTAL NATURAL FERTILIZER 4-1-3, 50 LB
1250-7	81008201250-7	OSM-BRADFIELD ORGANICS	PRO CORN GLUTEN NATURAL FERTILIZER 9-0-0, 50 LB
1260-6	81008201260-6	OSM-BRADFIELD ORGANICS	PRO SOIL STUFF 1 (CALCIUM) 1-0-1, 50 LB
1255-2	81008201255-2	OSM-BRADFIELD ORGANICS	PASTURE & FARM NATURAL FERTILIZER 4-1-4, 50 LB
1265-1	81008201265-1	OSM-BRADFIELD ORGANICS	LUSCIOUS LAWN CORN GLUTEN 9-0-0, 40 LB
1270-5	81008201270-5	OSM-BRADFIELD ORGANICS	LAWN & GARDEN 3-1-5, 40 LB
0622-7	8977800022-7	Garden Guys	GARDEN NEEM, 24 OZ SPRAY
1381-8	81008201381-8	Mother Nature's Cuisine	OH NO DEER REPELLENT, 32 OZ SPRAY
1452-6	81008201452-6	Mother Nature's Cuisine	OH NO DEER REPELLENT, 1 GALLON REFILL
1453-2	81008201453-2	Mother Nature's Cuisine	OH NO DEER REPELLENT CONCENTRATE, 1 GALLON
1398-6	81008201398-6	Mother Nature's Cuisine	FISH AND SEAWEED LIQUID FERTILIZER 2-3-1, 1 GALLON
1400-6	81008201400-6	Mother Nature's Cuisine	FISH AND SEAWEED LIQUID FERTILIZER 2-3-1, 5 GALLON

GRAINGER PURCHASE ORDER TERMS AND CONDITIONS

Transactions pursuant to this purchase are subject to the terms and conditions appearing on the face and the reverse side of purchase orders as well as to applicable digital purchase terms and conditions and other acknowledgements appearing on W.W. Grainger, Inc. websites; including supplierconnect.com, which terms and conditions are incorporated by reference herein. In the event of a conflict among such terms and conditions, except for an applicable supply agreement which shall take precedence, the terms and conditions herein shall prevail. No terms or conditions in any acceptance, confirmation, acknowledgment or invoice from Supplier, contrary to or modifying this purchase order, shall apply unless approved and accepted in the United States in writing by W.W. Grainger, Inc., or its affiliates and subsidiaries "Grainger". This purchase order is subject to change upon acknowledgment by Grainger.

Do not fill at a price higher than specifically agreed upon with the approver of this purchase order. Shipment or providing any of the items or services referred to in this purchase order shall constitute complete and unqualified acceptance of the terms and conditions set forth herein including those on the face and reverse side, and shall constitute an agreement that this purchase order and contract arising therefrom shall be governed in accordance with the provisions of the Uniform Commercial Code and the laws of the State of Illinois, and not the United Nations Convention on the Sale of Goods. In accordance therewith, the parties submit to the venue and laws of the state and federal courts of Illinois, excluding its conflict of law rules.

1. Warranties and Representations: (a) Supplier warrants and represents that all goods, products, materials and services "Products" covered by this purchase order will be merchantable, of good quality and workmanship, free from defects, and fit and sufficient for the intended purpose for which required; (b) Supplier warrants and represents that all Products are the best of the grade specified; will conform to the description, quality and performance furnished or specified by Grainger, or if not furnished or specified, to standard commercial specifications; (c) that no Products are banned, misbranded or mislabeled, and all Products are produced or provided in conformity with all applicable federal, state and local statutes, rules and regulations; (d) Supplier warrants and represents that on the date of completion of services or delivery of Products, and for one (1) year thereafter, that all Products provided and delivered hereunder shall be of good quality and workmanship, free from defects, and shall conform to or be performed in accordance with accepted industry standards. The warranties and representations in this purchase order shall survive completion of services or delivery of Products, and shall not be deemed waived either by Grainger's failure to discover defects, acceptance of goods or payment therefore. Such warranties and representations shall cover all losses, including costs and expenses (including reasonable attorney's fees) to which Grainger will be exposed by any defects of Supplier's materials or performance.

2 (a). General Indemnity. Supplier shall protect, defend, indemnify, assume any liability, save and hold harmless Grainger, its agents, subsidiaries and affiliates, customers, officers, directors, employees, insurers, and its successors and assigns, from and against any allegations, claims, demands, lawsuits, liabilities, penalties, recalls or product corrective actions, losses, damages, charges, settlements, judgments, costs and expenses (including attorneys' or experts' fees incurred), which may be imposed upon, incurred by, asserted against, or awarded against Grainger ("Liabilities") relating to Products or services provided by Supplier by this purchase order or by its agents and representatives, including but not limited to all Liabilities arising out of, or allegedly based on: (i) Supplier's acts or omissions, or negligence, defects, or failures to warn, label or disclose associated with any Product or services provided by Supplier; (ii) breaches of warranty (express or implied); (iii) Liabilities arising out of allegations or violations of local, state, federal or international regulations concerning Supplier's Products "Product Regulatory Action"; (iv) legal proceedings connected with any Liabilities or Product Regulatory Action, or arising out of any actual or alleged violation with respect to any international, federal, state or local treaty, law, statute, ordinance, administrative order, rule, regulation or regulatory proposition, enactment or resolution, including Laws and Environmental Laws referred to in 2 (b) below and in 13 (a-d); (v) Liabilities based upon any claim of patent, trademark, copyright, trade dress infringement or any other violation of a third party's proprietary or contract rights and/or as referenced in 7

hereafter; (vi) Supplier sponsored marketing or product demonstration efforts; and (vii) breaches by Supplier of certifications, warranties, representations and obligations under this purchase order.

If a Supplier is providing "Aircraft Products" to Grainger, Supplier shall be responsible for notifying its insurer of the existence of this contractual obligation to indemnify W.W. Grainger, Inc., and ensure that all necessary steps are taken to insure this indemnification obligation under Supplier's applicable insurance policy(s). Should the Supplier's insurer reject this indemnification obligation, Supplier shall immediately provide notification of such rejection to Grainger.

2 (b). Regulatory Compliance; Hazardous Substances and Hazardous Product Labeling: Supplier represents and warrants on a continuing basis that Products procured shall comply with all treaties, laws, regulations and standards, "Laws", including Environmental Laws as defined below concerning the sale and resale, design, manufacture, marketing, labeling, shipping and packaging of its Products.

Supplier further represents that in the sale and resale, manufacturing, marketing, packaging, labeling, and shipping of its Products, that it complies with, and will continue to comply with Laws. Supplier further represents and warrants that Products supplied contain no asbestos or mercury components, materials or elements

Supplier shall furnish all information evidencing compliance with international, federal, state or local treaties and Laws pertaining to the environment, and the toxic or hazardous nature of Products or their constituents; including but not limited to the Toxic Substance Control Act, the Occupational Safety and Health Act ("OSHA"), ROHS standards, the Hazard Communication Standard, the Federal Hazardous Substances Act, California Proposition 65, and any other environmental or toxic or hazardous product obligation (all referred to as Environmental Laws). If Grainger purchases Products from Supplier that are deemed to violate Environmental Laws, Grainger shall be permitted promptly to return such Products to Supplier without return charges or costs with the purchase price or product cost being promptly refunded to Grainger.

If Supplier is supplying Grainger hazardous materials as defined by Environmental Laws, including the provisions promulgated by the Federal Department of Transportation, Supplier shall warn, label and ship such hazardous materials in accordance with Environmental Laws. With shipments Supplier agrees to provide Grainger with up-to-date OSHA Material Safety Data Sheets, ROHS information, and all other information necessary to comply with applicable Environmental Laws.

3. Insurance: Supplier covenants and agrees, as a condition of purchase, at its expense to provide commercial general liability insurance coverage with a minimum policy limit of \$1,000,000 per occurrence for bodily injury, property damage, including products/completed operations with a \$2,000,000 minimum aggregate limit. The policy shall be occurrence based and placed with a carrier having an A.M Best Rating of A-VII or better. Supplier agrees to name W.W. Grainger, Inc. and its subsidiaries and affiliates as additional insured's on all policies and applicable endorsements. Supplier agrees to provide a certificate of insurance evidencing said coverage's referenced herein and annually thereafter or as the policy renews, Supplier also agrees to provide thirty (30) days prior written notice of any material change, non-renewal, or policy cancellation. Supplier further agrees to have all applicable policies endorsed to respond primary and non-contributory to any other valid and collectible insurance available to Grainger.

4. Payment Terms; Freight, Title and Risk of Loss ; Delivery Terms: Unless otherwise agreed in writing, all payment periods shall be net 30 days, commencing upon receipt and acknowledgment of delivery by Grainger at the specified Grainger location of the Products ordered by Grainger. Unless otherwise agreed all shipments shall be F.O.B. Destination, shipping charges prepaid. Title and risk of loss shall pass at delivery and acceptance of Products by Grainger at a specified Grainger location. In addition to complying with Grainger's shipping instructions contained in this purchase order, Supplier shall advise Grainger immediately of the shipment and delivery of Products ordered, and submit packing list with the shipment.

TIME IS OF THE ESSENCE. If delivery is not made on or before the specified date, Grainger shall have the option to cancel this purchase order, or any unfilled part thereof, and purchase elsewhere. No separate charges will be allowed Supplier for cartage or packing unless specified in this purchase order. Grainger assumes no liability for loss of, or damage to Products until same have been accepted by Grainger in good order at the delivery point specified by Grainger. Any expense incurred or loss sustained by deviation from shipping instructions shall be charged to the account of Supplier.

5. **Force Majeure:** Grainger shall not be required to accept or pay for any Products, covered by this purchase order if prevented from accepting and utilizing the same by reason of any labor dispute, accident, fire, casualty, act of Government, or any other cause beyond its control.

6. **Insolvency and Security Interest:** Grainger may cancel any portion of this purchase order which remains unfilled after the beginning of any bankruptcy or insolvency proceeding by or against Supplier or after an assignment for the benefit of the Supplier's creditors, or of a receiver. Supplier grants to Grainger a security interest in all goods, in its possession or otherwise, which have been manufactured or identified for any Grainger purchase order, and Supplier agrees to execute, or authorize Grainger to execute on its behalf, any documents which are necessary for Grainger to perfect its security interest.

7. **Infringement:** Supplier warrants that all Products covered by this purchase order, whether or not Grainger has furnished specifications, shall be delivered free of the rightful claim of any person by way of infringement, or the like. In addition to the terms of 2(b) which are incorporated by reference herein, Supplier shall defend, indemnify, save and hold Grainger, its employees, customers, agents and directors harmless from any and all liability, loss, damage and expense arising from any infringement or alleged infringement of any patent, trademark, copyright, packaging, labeling, advertising, marketing, trade secret or other intellectual property right, by reason of the purchase, lease, use or resale by Grainger of Products covered by this purchase order.

8. **Product Information and Data:** Supplier grants to Grainger, a non-exclusive, irrevocable, worldwide, royalty-free right to use manuals, information, data and cross-references regarding your Products in connection with Grainger's business. Such right shall commence on the date of purchase orders, and shall continue until the latest of (i) expiration or termination of this purchase order; (ii) the exhaustion of inventory of Products held by Grainger, and (iii) the date on which Supplier's Products or any data related thereto last appeared on any Grainger Websites or in the then-current edition of the Grainger Catalog. Such right further includes, but is not limited to, the right to copy, publish, sell, transfer, distribute, sublicense and prepare derivative works (including translations) of such manuals, information, data, and cross-references by any method and in any and all forms and media now or hereafter known (including in any Grainger Catalogs and Grainger Websites). Such right may be exercised by Grainger and its divisions, subsidiaries and affiliates.

9. **Trademarks and Copyrights:** Grainger has a non-exclusive, irrevocable, worldwide, royalty-free right to use Supplier logos, trademarks, service marks, trade names, and domain names in connection with any Grainger Catalogs and Grainger websites including, but not limited to, product promotions, and other sales and marketing materials. Such right shall commence on the date of this purchase order and shall continue until the latest of (i) expiration or termination of this purchase order; (ii) the exhaustion of inventory of Supplier Products held by Grainger; and (iii) the date on which Products or any data related thereto last appeared on any Grainger websites or in the then-current edition of the Grainger Catalog or websites.

10. **Product Substitution:** Grainger reserves the right to substitute for its customers, without notice to Supplier or customers, comparable brands and Products for Products listed in its catalogs, websites and promotional literature. In the event of Supplier's or Grainger's discontinuance or termination of the sale or purchase of Products, Grainger may continue to

display, promote, and offer Supplier's Products in its catalogs, web sites, and marketing materials; continuing to use Supplier's trade names/marks in such efforts. Grainger may substitute other Suppliers' Products using similar SKU numbers or other information regarding Supplier's Products until such time as Grainger's inventory of Supplier's Products is depleted, and the process of discontinuing the business relationship in orderly manner has been completed to Grainger's satisfaction.

11. **Assignment; Set Off:** Grainger's purchase orders shall not be assigned in whole or in part without its written permission. Grainger may without notice set off amounts payable respecting Products against any present or future indebtedness of Supplier to it arising from this Purchase Order or any other transaction (whether or not related hereto). Any monies due for Products furnished hereunder, at Grainger's option, may be applied by it to the payment of any sums which the Supplier or any of its affiliated or subsidiary companies may owe to Grainger or to any subsidiary of Grainger.

12. **Electronic Data Interchange:** If Grainger and Supplier have mutually agreed to use an Electronic Data Interchange system or an Internet enabled process, "EDI", to facilitate transactions, Supplier agrees: that it will not contest (i) any agreement resulting from such transaction under the provisions of any law relating to whether agreements must be in writing or signed by the party to be bound thereby; or (ii) the admissibility of copies of EDI records under the business records exception to the hearsay rule, the best evidence rule or any other similar rule, on the basis that such records were not originated or maintained in documentary form. Grainger and Supplier shall negotiate and agree on technical standards and methods for use in making EDI purchases, and will use appropriate security procedures to protect EDI records from improper access. The business records maintained by Grainger regarding EDI purchases made by Grainger shall be controlling.

13. **Regulatory Compliance: Country of Origin, NAFTA, Trade Agreement and Tariff Compliance, Export Compliance and Consumer Product Safety Commission:**

13(a). Supplier may be subject to a number of federal regulations incorporated into Grainger's federal prime contracts. Supplier shall comply with the following federal regulations, to the extent applicable: 52.203-13, (Contractor Code of Business Ethics and Conduct); 52.203-15 (Whistleblower Protections under the ARRA), 52.212-5 (d) (1) (Comptroller General Examination of Record) (i) 52.219-8 (Utilization of Small Business Concerns); (ii) 52.222-26 (Equal Opportunity); (iii) 52.222-35 (Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans); (iv) 52.222-36 (Affirmative Action for Workers with Disabilities); (v) 52.222-39 (Notification of Employee Rights Concerning Payment of Union Dues or Fees); (vi) 52.222-41 (Service Contract Act of 1965); (vii) 52.222-50, (Combating Trafficking in Persons); (viii) 52.222-51 (Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements); (ix) 52.222-53 (Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements); 52.222-54, (Employment Eligibility Verification); 52.226-6 (Promoting Excess Food Donation to Nonprofit Organizations); (x) 52.247-64 (Preference for Privately Owned U.S.-Flag Commercial Vessels); and (xi) 52.203-13 (Contractor Code of Business Ethics and Conduct).

13 (b). Supplier certifies, represents and warrants as of the execution date of this purchase order and on a continuing basis thereafter, that country of origin labeling, identification, and Product packaging and certifications thereto are accurate, and comply with applicable U.S. laws, treaties, and regulations; including but not limited to: The Buy America Act, Trade Agreements Acts and the North American Free Trade Agreement "NAFTA". Supplier shall mark all Products and/or packaging with correct country of origin markings, and provide accurate Export Commodity Control Numbers ("ECCNs"), and US Census Bureau Schedule B Harmonized Tariff codes in conformity with all U.S. laws, treaties and regulations, including but not limited to the Buy America Act, NAFTA, and Trade Agreements Acts.

13 (c). If Products qualify for preferential treatment under the North American Free Trade Agreement ("NAFTA"), Supplier shall provide as requested by Grainger, and on a continuing basis, properly completed, accurate and signed NAFTA Certificates of Origin. If Products do not qualify for preferential treatment under NAFTA, Supplier shall further provide and certify to Grainger the accurate country of origin status or where the last substantial transformation of Products occurred.

13 (d). Supplier shall notify Grainger on a continuing basis of all changes in country of origin criteria, Buy America Act, or Trade Agreement Acts information, NAFTA origin information, harmonized tariff codes, and ECCNs status. Acceptance of this purchase order constitutes acceptance of the regulations referred to in these paragraphs 13(a-d). Supplier shall cooperate as requested by Grainger in its efforts to obtain, certify and verify such information as is requested in 13 (a-d).

13 (e). Supplier shall comply with the following export-controlled Products requirements as applicable. Export-controlled Products means Products subject to the Export Administration Regulations (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (22 CFR Parts 120-130). The parties anticipate that, in the performance of this purchase order, the Supplier, may require access to export-controlled items. In doing so,

(i) Supplier shall comply with all applicable laws and regulations regarding export-controlled Products, including the requirement for contractors or Suppliers to register with the Department of State in accordance with the International Traffic in Arms Regulations ("ITAR"). As applicable, Supplier shall consult with the Department of State regarding issues relating to the ITAR and with the Department of Commerce regarding any questions relating to the Export Administration Regulations ("EAR"). Compliance with US export laws and regulations exists independent of, and is not established or limited by, the information provided by paragraph 13(e) (i) and (ii), and nothing in the terms of this purchase order is intended to change, supersede, or waive any of the requirements of applicable federal laws, executive orders, and regulations relating to US export control, and

(ii) Supplier shall include this paragraph 13(e) (i) and (ii) in all Supplier subcontracts that are expected to involve access to, or generation of export-controlled items.

13(f) Supplier shall comply with applicable Consumer Product Safety Commission regulations including providing certificates of conformity as required by the Consumer Product Safety Improvement Act of 2008.

14. **Termination and Survival of Obligations:** Grainger shall have the right to terminate this purchase order in whole or in part at any time, with or without cause, by giving prior written or oral notice to Supplier effective upon receipt. All of the obligations, terms and conditions contained herein, including but not limited to, indemnities and the procurement of insurance, shall survive termination of this purchase order.

15. **Confidentiality:** Each party agrees that all information, data, ideas, strategies, pricing, Grainger end user or customer information, product information, product cost information, and any other documentation, or other information in any format, acquired from, developed by, or conveyed to either party in connection with performance under this purchase order or supplier agreement, "Information" is confidential, proprietary and valuable, and will be held in strict confidence. Access to such Information shall be limited solely to agents, employees or representatives who have a strict need to know such Information. Information shall not otherwise be disclosed or used by the receiving party or its agents, employees, or representatives without the prior written permission of the providing party of the Information. Information shall not include any Information which (i) is independently developed by the receiving party; (ii) is approved for release by the providing party; or (iii) is, or becomes publicly known through no wrongful act of

the receiving party. Provided however that no Information shall be disclosed pursuant to subpoena or similar request without prior notice to, and the approval by the providing party of the information. The obligations hereunder shall survive the termination or discontinuance of this purchase order for two (2) years after notice of same, and in the event of such notice, the receiving party, upon request, shall return all Information to the providing party. The parties further agree that the existence and contents of this agreement or purchase order are highly confidential and shall not be disclosed by either party, without limitation, in any press release or publicity story, without the prior written consent of the other party.

16. Grainger Private Label Trademarks and Private Label Materials: Supplier acknowledges that Grainger has granted Supplier a non-exclusive, non-transferable, royalty free license to use, during the term of this purchase order or supplier agreement, any Grainger owned private label trademarks, product information, specifications, ideas, know-how, tools, molds, jigs, tooling supplies, manuals, OIPM's, literature, and any other materials used by Supplier, paid for or provided by, or authorized by Grainger to be used by Supplier in the manufacture of private label products for Grainger, "Private Label Materials". Private Label Materials shall be used solely for the manufacture of private label products for Grainger; and shall be returned to Grainger promptly upon request. Supplier shall make the Grainger Private Label Materials available for inspection upon reasonable notice by Grainger. Stock number and Stock Keeping Unit numbers (collectively "SKU's") used by Grainger ("Grainger SKU's") are Grainger proprietary information, and may be reassigned and reused in Grainger's sole discretion.

17. Right to Audit: At any time upon written notice, Grainger or its designated representatives shall have the right, at Supplier's location and at Grainger's expense, for up to three (3) years after final payment under this purchase order or a related agreement, to examine, copy, inspect and audit all books, records, information or documents (in paper or digital format) "Information", relating to Supplier's performance, procedures, practices, pricing and product costs (including those of its subcontractors or agents) "Performance" with respect to Products purchased by Grainger under a purchase order or related agreement regardless of the form or type of Information stored (paper, disk, tape, databases, software). Information provided shall sufficiently and accurately reflect Supplier's or its agents or representatives' Performance. Should audit results reveal any pricing or cost errors, the value of such error(s) shall be calculated and promptly paid to or credited to Grainger, or appropriate debits will be issued by Grainger.

18. Waiver: The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition shall not constitute a waiver of that right or excuse any subsequent nonperformance of any such term or condition by the other party.

19. No Third Party Benefit: The provisions stated above are for the sole and exclusive benefit of the parties hereto, and confer no rights, third party benefits or claims upon any person or entities not a direct contract party hereto.