

CONSIGNMENT AGREEMENT

THIS CONSIGNMENT AGREEMENT ("Agreement") is entered into this ____ day of _____, 20__ by Snap-on Logistics Company. ("SLC"), and _____, _____ ("Supplier").

1. **Nature and Scope.** Supplier and SLC desire to enter into this Agreement whereby Supplier delivers and SLC accepts Consigned Product, as defined herein, under the terms hereof.

2. **Consignment of Product.** Supplier shall deliver to SLC at the designated locations or warehouses (the "Facilities") quantities of Product as are identified in the attached **Schedule 1** (the "Consigned Product") and SLC shall accept such Consigned Product on consignment according to the terms of this Consignment Agreement. Upon mutual agreement of the parties, **Schedule 1** may be revised from time to time during the term of this Agreement.

3. **Title to Consigned Product.** SLC shall receive, hold and exercise reasonable care for such Consigned Product which shall remain the sole and exclusive property of Supplier. Any costs associated with the care of the Consigned Product, while in the possession of SLC, shall be borne by Supplier. All legal and equitable right, title and interest ("Title") to the Consigned Product shall remain with Supplier until such Consigned Product are used by SLC, at which time Title shall immediately pass to SLC or to the customers, respectively.

4. **Payment for Consigned Product.** SLC shall remit to Supplier per payment terms specified in Section 5 of the Strategic Supplier Agreement the invoice amount for the Consigned Product used by SLC to produce finished Product or sold by SLC during the preceding week.

5. **Pricing.** Prices for Consigned Product shall be per Attachment 2 of the Strategic Supplier Agreement.

6. **Compliance with Laws.** Supplier shall cooperate fully to effect compliance with any law, rule or regulation governing the Consigned Product. Additionally, Supplier represents and warrants that its books of account shall reflect that the Consigned Product are shipped and delivered to SLC as a consignment and not as a sale.

7. **Warranties, Warranty Remedies.**

Warranties and Warranty Remedies shall be as specified in Section 12 of the Strategic Supplier Agreement.

8. **Risk of Loss; Insurance.** The risk of accidental loss or destruction of the Consigned Product while in the possession of SLC shall be borne by Supplier. SLC shall have no liability to Supplier as a bailee or otherwise with respect to Consigned Product except as any damages may be directly and proximately caused solely by SLC gross negligence or SLC's intentional damage to, or destruction of, Consigned Product.

It shall be the obligation of Supplier to adequately insure the Consigned Product at its own expense, for the benefit of and in the name of Supplier.

9. **Disposition of Consigned Product.** In the event that Consigned Product not already covered by a SLC Purchase Order are not used or sold by SLC upon termination of this Agreement, SLC, at its option, may elect to (i) purchase some or all of the remaining Consigned Product from Supplier at the price(s) established on Attachment 2 of the Strategic Supplier Agreement; and/or (ii) designate for return to Supplier the Consigned Product, in which case Supplier, at its sole risk, cost and expense shall remove or cause to be removed the Consigned Product at no charge to SLC.

10. **Term; Termination.** This Agreement shall begin on the date hereof and shall continue until terminated. This Agreement may be terminated by either party by giving the other party not less than ninety (90) days' prior written notice of termination. In the event of termination, this Agreement shall remain in effect to govern the disposition of any remaining Consigned Product.

This Agreement is executed as of the date noted above by authorized representatives of SLC and Supplier.

SLC:	Supplier:
By: _____	_____
Title: _____	By: _____
Date: _____	Title: _____
	Date: _____

SCHEDULE 1

CONSIGNED PRODUCT

Supplier shall deliver to SLC the following Consigned Product in accordance with the terms and conditions of this Agreement: