

## STANDARD TERMS AND CONDITIONS OF SALE

**GENERAL - ACCEPTANCE OF CONTRACT** - This Order (the "Order") becomes a contract subject to the terms and conditions set forth herein when accepted by acknowledgment or commencement of performance by Seller, whichever occurs first. Acceptance of the Order is limited to the written terms included on these two pages. Any proposal for additional or different terms or any attempt by Buyer to vary, in any degree, any of the terms of this offer in Buyer's acceptance shall not operate as a rejection of this offer unless variance is in the terms of the description, quantity, price or delivery schedule of the goods, but shall be deemed a material alteration hereof, and this Order shall be deemed accepted by Seller without such additional or different terms. The failure of Seller to actively reject, whether orally or in writing, any conflicting or contradictory terms contained in any document forwarded by Buyer to Seller subsequent to this Order shall not be deemed to be an assent to such terms.

**CREDIT** – All orders are cash or COD until credit is approved. Credit terms are net thirty (30) days from date of shipment unless otherwise agreed by both parties. Seller has the right to decline to make deliveries except for cash at any time, for any reason, in Seller's sole and absolute discretion, doubt as to Buyer's financial ability to make payment develops, and shall not, in such event, be liable for non-performance hereunder in whole or in part.

**CANCELLATION** - Should Buyer desire to cancel all or any part of this Order, Seller shall be indemnified against all losses on account of finished goods and work in process (minimum 4 weeks) , and raw material (minimum 14 weeks) on hand or on order for tooling, and/or product. Seller reserves the right to produce all or any portion of an Order at one time, holding parts in stock for future releases.

**PRODUCT REVISIONS** - Should Buyer make any revisions to the product, Buyer assumes full responsibility for payment of all costs including tooling redesign. Additionally, Seller shall be indemnified against all losses on account of finished goods and work in process (minimum 4 weeks), and raw material (minimum 14 weeks) on hand or on order for tooling, and/or product.

**QUOTATIONS** - It is understood that all quotations are subject to change without notice, until the Order is accepted. Initial PPAP is included in the quoted price; subsequent changes or requests resulting in additional PPAPs may result in additional charges.

**QUANTITIES** - All quotations are based on Buyer accepting over-runs or under-runs not exceeding ten percent (10%) of the quantity ordered unless otherwise specified in the Order.

**BLANKET ORDER MATERIAL OBSOLESCENCE** – The term “blanket order” means a purchase order for the manufacture and delivery of goods or parts for future delivery. Blanket order quotations are based upon Seller receiving minimum scheduling and delivery requirements of

- 14 week planning forecast
- 10 week material authorization
- 4 weeks of firm fabrication orders

In the event that the Buyer cancels the Agreement or fails to order parts as forecasted, then Buyer shall reimburse Seller the cost actually incurred by Seller in relation to finished goods, partially finished goods and raw materials for which the forecast was made.

**TOLERANCES** - All dimensions must be limited by a specified tolerance. When not specified by Buyer, it is understood that Seller’s published tolerances shall apply. Seller shall not be responsible for the design and fitting of parts produced to Buyer’s specification, the conforming of Seller’s part to the specified tolerances is sufficient evidence as to the correctness of the product.

**DIES, TOOLS, ETC.** Seller is the owner of all dies, tools, and/or gages used in manufacturing the goods. Any charge for such equipment does not convey any ownership interest or the right to remove such equipment from Seller’s premises.

**CLAIMS AND INSPECTION** – Buyer must notify Seller, in writing, of any claims of shortages or defective materials within one week from receipt of shipment. In the event of a claim, Seller shall have the option of inspecting the goods at Buyer’s premises or of taking back the goods and deciding whether goods will be replaced or credit issued. Under no circumstances are materials to be returned to Seller without Seller’s prior written consent. Liability of Seller for goods determined to be defective or not in accordance with agreed specifications, or for other breach of the Order shall be limited solely to replacement of goods or repayment of purchase price paid therefor, as Seller may elect in its sole and absolute discretion. Quotations do not include inspection of 100% of goods to be sold hereunder unless stipulated in the Order. If Buyer wants all goods to be inspected by Seller, such inspection will be conducted at an additional expense to Buyer. When the manufacturing tolerances are closer than Seller’s published tolerances the dimensions of the inspection gages to be used by Buyer shall be furnished by Seller.

**PRICES, SHIPMENTS AND RISK OF LOSS** – All prices are net, FOB shipping point unless otherwise noted and are subject to change without notice unless requested otherwise by Buyer, the method and route of shipment will be at the discretion of Seller. Delay in delivery due to factors beyond Seller's control shall not relieve Buyer of its obligations to accept remaining deliveries. Except as otherwise expressly provided herein, title to and the risk of loss on all the goods shipped by Seller to Buyer shall not pass to Buyer until such goods are placed delivered to and placed on a truck or other method of transportation.

**INCREASES IN PRODUCTION COSTS** – In the event of extraordinary increases in the market prices of fuels, metals, raw materials, equipment and other material costs, Seller shall have the right, and buyer shall have the obligation to renegotiate in good faith the price of goods hereunder not yet shipped; and, if agreement is not reached, Seller shall have right to cancel this contract without liability.

**PATENTS** - Buyer agrees to hold Seller, its successors and assigns harmless from loss and/or liability of any nature or of any kind arising out of or existing because of an infringement or alleged infringement of any patent for or on account of the manufacture, sale or use of any goods furnished hereunder. Buyer shall defend any such suits at its own expense, and Seller shall have the right to have such litigation monitored by its own counsel. Buyer shall notify Seller in writing of any suit filed against it on account of any such infringement or alleged infringement.

**APPLICABLE LAW** -The contract resulting from the acceptance of this Order shall be governed by and construed according to the laws of the State of Ohio. Any litigation relating directly or indirectly to this Order shall be brought before and determined by a court of competent jurisdiction located in Cuyahoga County, Ohio.

**STATUTORY AND REGULATORY REQUIREMENTS** –When requesting a quote, Buyer agrees to inform Seller of any and all applicable statutory and regulatory requirements at the final point of use of the product, as well as any statutory and regulatory requirements where the product is shipped, transferred, or altered.

**WARRANTY** – Seller warrants that the goods provided under this Order are free from defects in title, materials and workmanship and will conform to the applicable specifications provided by Buyer subject to customary tolerances and variations. The warranty shall not apply in respect to goods or services supplied by the Seller which are samples or prototypes or for test or

evaluation purposes. If it appears within ten (10) days from the date of Buyer's receipt of the goods that they materially do not conform to the foregoing warranty at the time received by Buyer, or if it appears within sixty (60) days from their receipt that the goods contain latent defects at the time received, and Buyer notifies Seller in writing within the ten (10) or sixty (60) day period, Seller at its option shall either (a) make available to Buyer replacement goods for any defective goods, or (b) remit to Buyer the price paid therefor. The foregoing remedies shall constitute the sole and exclusive remedies available to Buyer against Seller for breach of warranty, negligence or for any other claim based upon an assertion that the goods are in any way defective. In no event shall Seller be liable for consequential damages. Seller's liability on any claim for damages arising out of or in connection with the manufacture, sale, delivery or use of any of its goods shall in no case exceed the price paid therefor. Neither Buyer nor any other person has the right to modify or expand this warranty or waive any of its limitations.

**FORCE MAJEURE** – Seller shall not be liable or deemed in default for any late deliveries hereunder or for any other delays or failure to perform where the late delivery, delay or failure to perform has been occasioned by acts of God, fire, embargo, labor or industry disruptions or disturbances, weather, shortage of materials, strikes or lockouts, civil disorders, acts of terrorism, war, epidemics, computer malfunctions, vendor allocations, accidents, governmental, regulatory or legal action or orders, delays caused by Buyer ( including but not limited to, Buyer's failure to promptly comply with the terms of payment), failure to secure material from usual sources of supply, acts or omissions on the part of carriers, force majeure or any other circumstances beyond Seller's control not hereinabove enumerated.

**SEVERABILITY** – If any provision of these Standard Terms and Conditions of Sale is held to be invalid or unenforceable under any statute, regulation, ordinance, executive order, or other rule of law, such provision will be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order, or rule, and the remaining provisions of these Standard Terms and Conditions of Sale will remain in full force and effect.

**EXCEPT AS HEREIN PROVIDED, SELLER MAKES NO WARRANTIES AS TO THE GOODS AND, IN PARTICULAR, MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND BUYER IS SOLELY RESPONSIBLE FOR DETERMINING THE PROPER APPLICATION AND USE OF THE GOODS. SELLER SHALL HAVE NO TORT**

LIABILITY TO BUYER WITH RESPECT TO ANY OF THE GOODS AND SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, INDIRECT OR PUNITIVE DAMAGES ARISING FROM ANY PRODUCT DEFECT, DELAY, NONDELIVERY, RECALL OR OTHER BREACH.

SELLER OBJECTS TO AND WILL NOT AGREE TO ANY TERMS THAT ARE ADDITIONAL TO OR DIFFERENT FROM THESE TERMS. TERMS THAT ARE PRINTED ON OR CONTAINED IN A PURCHASE ORDER OR OTHER FORM PREPARED BY BUYER WHICH ARE ADDITIONAL TO, IN CONFLICT WITH OR INCONSISTENT WITH THOSE HEREIN SHALL BE CONSIDERED INAPPLICABLE AND SHALL HAVE NO FORCE OR EFFECT.