

TERMS AND CONDITIONS

1. **GENERAL** - These Terms and Conditions, together with those appearing on the face hereof, constitute the contract of sale regardless of the manner in which this order is accepted. Any additional or different terms proposed by Seller are objected to and shall be of no effect.
2. **DELIVERIES** - Buyer's production schedules are based upon the agreement that materials will be delivered to Buyer by the date specified on the face of this purchase order. Time is therefore the essence of this order. If any deliveries are not made at the time and in the quantity agreed upon, Buyer may cancel this order with respect to all or any part of the goods covered hereby and in any event hold Seller responsible for damages resulting from Seller's default.
3. **PRICES** - Seller warrants that the prices for the goods sold or services to be furnished to Buyer under this order are not less favorable than those currently extended to any other customer for the same or like goods or services in equal or less quantities. In the event Seller reduces its price for such goods or services prior to complete delivery of all goods or the furnishing of all services covered by this order. Seller agrees to reduce correspondingly, the price of the goods or services covered hereby.
4. **QUANTITIES** - Shipments must equal exact amounts ordered unless otherwise agreed to in writing by Buyer. Any unauthorized quantity is subject to Buyer's rejection and return at Seller's expense.
5. **WARRANTY** - In addition to any and all other express, implied and statutory warranties, Seller expressly warrants that all goods sold hereunder shall be free from defects in design, workmanship and materials, shall conform strictly to applicable specifications, drawings and approved samples, if any; and shall be merchantable. Seller acknowledges that Seller knows the particular purpose for which the goods covered hereby are required and that Buyer is relying on Seller's skill and judgment to select and furnish goods, and any applicable services, which are suitable for such purposes, and Seller warrants that the goods and any services covered hereby shall be fit and sufficient for the purposes intended. Such warranties, together with all other service warranties of the Seller, shall apply to Buyer, its successors, assignees and customers. All warranties shall survive inspection, test, acceptance of and payment by Buyer. In the event of breach of warranty, and notwithstanding prior acceptance, Buyer may, in addition to all other remedies, (a) at Buyer's option, either return for credit or require prompt correction or replacement of the defective or non-conforming goods, and (b) cancel all or any part of the undelivered portion of this order. In no event shall payment be deemed to constitute acceptance.

6. **INSPECTION AND REJECTION** - Final inspection shall be on Buyer's premises unless otherwise agreed in writing. Buyer's inspection and testing may, at Buyer's option, be made under operating conditions after installation or incorporation of the goods into any plant facility or equipment of which they are to be a part. As to goods rejected as not conforming to this order, Buyer may, at Buyer's option: (1) hold the goods at Seller's expense and risk; (2) return the goods to Seller, at Seller's expense, for repair, replacement or credit; (3) retain the goods with an equitable reduction in price, or (4) repair the goods at Seller's expense. Buyer's exercise of one of the foregoing options as to any non-conforming goods shall not preclude Buyer's exercise of any other option with respect to other non-conforming goods. Buyer reserves the right, even after it has paid for and accepted said goods to make a claim against Seller on account of any goods which do not prove to be satisfactory or are defective, irrespective of Buyer's failure to notify Seller or a rejection of non-conforming goods or revocation of acceptance thereof, or to specify with particularity any defect in non-conforming goods or revocation of acceptance thereof, or to specify with particularity any defect in non-conforming goods after rejection or acceptance thereof.

7. **COMPLIANCE WITH LAWS** - Seller warrants and agrees that all goods delivered pursuant to this order shall be produced, sold and delivered to Buyer in compliance with and conforming to all applicable laws and governmental orders, rules and regulations. Seller shall furnish to Buyer upon request certifications or other evidence showing compliance with this paragraph.

8. **BUYER'S PROPERTY** - All material including tools and equipment furnished or specifically paid for by Buyer and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the property of Buyer, shall be subject to removal at any time without additional cost upon demand by Buyer, shall be subject to refilling orders from Buyer, shall be kept separate from other materials or tools and shall be clearly identified as the property of Buyer. It shall be the responsibility of the Seller to maintain, keep in good condition, and replace when necessary at Seller's expense all such tools, material and equipment in order that such tools, material and equipment at all times have the capacity to produce parts in conformance with Buyer's order. Seller assumes all liability for loss or damage, with the exception of normal wear or tear, and agrees to supply detailed statements of Buyer's property in Seller's possession, custody or control at monthly intervals or as otherwise agreed upon. All such material, tools and equipment, while in Seller's possession, custody or control, shall be held at Seller's risk and shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Buyer. Upon request by Buyer, Seller shall furnish Buyer with a certificate of insurance evidencing such insurance coverage.

9. **TAXES** - Except as may be otherwise expressly provided on the face of this order, the contract price includes all applicable Federal, State and Local taxes, duties, tolls, fees, import charges and other governmental exactions, and Buyer shall have no liability to pay Seller any amount in excess of the purchase price specified herein.

10. **ASSIGNMENT** - Seller shall not delegate any duties, nor assign any rights or claims under this contract or for breach thereof, without prior written consent of Buyer, and any such attempted delegation or assignment shall be void. All claims for monies due or to become due Seller or any of Seller's subsidiary or affiliated companies from Buyer, or any of Buyer's subsidiary or affiliated companies, whether under this order or otherwise, shall be subject to deduction for any setoff or counterclaim arising out of this or any other transaction or transactions between Seller or any of its subsidiary or affiliated companies, and Buyer or any of its subsidiary or affiliated companies whether such setoff or counterclaim arose before or after any assignment of this order by Seller.

11. **CHANGES** - Buyer shall have the right to make changes in this order (including quantity). If changes affect delivery or price, Seller shall promptly notify Buyer. In no event shall additional charges or price increases be allowed without specific written authorization. If the quantity covered by this order is reduced in quantity or canceled, it shall be Seller's responsibility to make every effort to minimize any cost in connection therewith, including immediately canceling production schedules, and diverting material for other uses. Cancellation charges, if any, shall be subject to negotiation and in no case shall exceed the lesser of Seller's out-of-pocket costs for those quantities released for production with Buyer's approval or Seller's actual expenditures hereunder at the time of cancellation. In no event shall cancellation charges apply unless written notice of intent to make such cancellation charges shall be received by Buyer within 30 days after notice of reduction in quantity or cancellation is sent.

12. **BANKRUPTCY** - In the event of (a) any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against Seller, or (b) the appointment, with or without the Seller's consent, of an assignee for the benefit of creditors or of a receiver, or (c) Seller's ceasing to conduct its operations in accordance with accepted business practices (including ability to meet its obligations as they mature), then Buyer shall be entitled to elect to cancel any unfilled part of this order without any liability whatsoever. Whether or not Buyer so elects to cancel, Buyer may at Buyer's sole election, pay Seller its actual direct out-of-pocket costs of performance hereunder to the date of such cancellation, as approved by Buyer, in which event the goods or uncompleted portions of the goods shall be the property of Buyer and Seller shall safely hold the same for a reasonable time subject to receipt of Buyer's written shipping instructions or other disposition instructions.

13. **CONTRACT** - The parties hereto agree that the laws of the State of Illinois shall govern the validity, interpretation and enforcement of this order and acceptance thereof, without regard to its conflicts of laws principles.

14. **PACKING & RISK OF LOSS** - Seller shall properly package all goods for safe shipment to Buyer. All risk of loss of any and or damage to the goods covered hereby shall be upon Seller until the goods are physically delivered to Buyer's plant, notwithstanding any delivery terms or shipping instructions stated on the face hereof or given by Buyer.

15. **PROOF OF SHIPMENT** - Seller shall, at the time of shipment, forward to Buyer, the express receipt or bill of lading, signed by the carrier, evidencing the fact that shipment has been made.
16. **SUPPLEMENTARY INFORMATION** - Any specifications, drawings, notes, instructions, engineering notices, or technical data referred to in this order shall be deemed to be incorporated herein by reference as if fully set forth. In case of any discrepancies or questions, it is Seller's responsibility to refer to Buyer for decision, interpretation, or further instructions, and no such decision, interpretation or further instruction shall be binding on Buyer unless reduced to writing and signed by Buyer.
17. **TITLE TO DRAWINGS AND SPECIFICATIONS** - Buyer shall at all times have title to all drawings and specifications furnished by Buyer to Seller and intended for use in connection with this purchase order. Seller shall use such drawings and specifications and all such other information as may be disclosed to Seller by Buyer only in connection with this order and shall not disclose such drawings, specifications or information to any person, firm or corporation except Buyer's or Seller's employees, subcontractors or government inspectors with a need to know the same in connection with this order. Seller shall, upon Buyer's request, and upon completion of the order, without the necessity for any such request, promptly return all drawings and specifications to Buyer.
18. **INVOICES** - Seller shall mail or electronically transmit invoices promptly to allow Buyer sufficient time for processing and payment within payment terms. C.O.D. shipments will not be accepted.
19. **WAIVER** - Neither the waiver by Buyer, nor Buyer's failure to insist on performance of any term, condition or provision hereof, nor Buyer's failure to exercise any right or privilege, nor Buyer's waiver of any breaches, shall be or be construed as a waiver of any other term, provision, condition, rights, privilege or breach nor a waiver of any subsequent breach of the same term, condition or provision, nor shall it be or be deemed to be a waiver of any provisions of any subsequent order. Buyer's rights and remedies provided hereunder and by law shall be cumulative.
20. **INDEMNITY** - Seller will indemnify and save Buyer free and harmless from and against any and all claims, damages, liabilities or obligations of whatsoever kind, including, but not limited to damage or destruction of property and injury or death of persons, resulting or allegedly resulting from or connected with (a) the quality of the goods sold, (b) Seller's performance hereunder, or (c) any default by Seller or breach of its obligations hereunder. Seller, by acceptance of this purchase order, hereby assumes the entire and full responsibility and liability for any and all damages, injury, loss and expense of any kind or nature whatsoever to all persons, whether employees or others, and to all property, arising out of or in any manner resulting from the execution of work provide for in this contract and work incidental thereto, or occurring in connection therewith,

whether the same arises from negligence or otherwise, even though such damages, injury, loss or expenses are attributable to the joint, concurrent or contributory negligence of Buyer, its agents, servants or employees. Seller agrees to indemnify, save harmless and defend Buyer, its agents, expenses, including attorney's fees and expense of litigation arising out of or in any manner resulting from or occurring with the execution of the work herein provided for, and work incidental thereto, or occurring in connection with or resulting from the use by Seller's subcontractors, agents or employees or others, of any materials, tools, implements, appliances, scaffolding ways, condition of previous works or machinery or other personal or real property of Buyer or others. The foregoing shall apply whether any claims resulting in any such damages, injury, loss of expense arise under the common law or under any applicable workmen's compensation law or other statute, or otherwise Seller will furnish Buyer with proper evidence that the Seller is insured against the responsibility and liability assumed herein with limits of not less than the following: Bodily Injury - \$500,000/\$1,000,000 Property Damage \$5,000,000.

21. **OPEN END ORDER** - Any estimated quantity, or any portion thereof, shall not be considered as ordered and Buyer is not committed to its purchase unless and until such quantity is placed on the initial purchase order release or subsequent purchase order release. As part of the consideration for the initial order, Seller hereby grants an option to Buyer to purchase the indicated estimated quantity on the terms and conditions herein set forth.

22. **SPC DATA** - Material/Plating Certifications with each shipment if applicable.

23. **M.S.D.S.** - Seller is required to furnish current Material Safety Data Sheet with each shipment if applicable.

24. **LINE RELEASES** - If the release cannot be met with the foregoing notice requirement, the Seller shall notify Buyer no less than 48 hours in advance. In addition to all other rights and remedies of Buyer, non-compliance could result in premium freight for such goods at Seller's expense.