

PURCHASING TERMS AND CONDITIONS

(1) ACCEPTANCE

Seller may accept this order in writing, or by the commencement of any work, or the performance of any services or the shipment of any goods purchased under this order. The acceptance by seller of this order is limited to the terms of the order. Any additional or different terms included by Seller are rejected unless expressly approved in writing by Buyer.

(2) PACKING AND TRANSPORTATION

Seller shall suitably pack, mark, and ship all materials according to common carriers' requirements (to secure the lowest transportation costs). No additional charges shall be made to buyer for packing, boxing, marking, shipping, drayage, or storage unless authorized in this order or in a separate writing by Buyer. Unless specified in this order, Buyer will not accept a COD shipment.

(3) DELIVERY

Deliveries shall be made in the quantities and at the times specified in this order or in supplementary schedules furnished by Buyer. Time is of the essence. Buyer may change delivery schedules or temporarily suspend scheduled shipments. If materials are shipped or received in advance of schedule, Buyer may return them to Seller at Seller's risk and expense. Seller shall not be liable for delays or defaults in delivery due to causes beyond its control and without its fault or negligence. If at any time Seller has reason to believe delivery will not be made as scheduled, Seller shall immediately give written notice to Buyer, stating the cause and duration of the anticipated delay. If delivery is not made as specified in this order, in addition to any other right or remedies, Buyer may terminate the contract as to all or any portion of the goods ordered, purchase substitute goods elsewhere and charge Seller with any loss incurred.

(4) REJECTIONS

If any of the goods are found at any time to be defective in material or workmanship, or otherwise not in conformity with the requirement of this order, Buyer, in addition to any other rights which it may have under warranties or otherwise, may at its option correct or have corrected the nonconformity at Seller's expense, or reject and return stock goods at Seller's expense, such goods not to be replaced without suitable written authorization from Purchaser.

(5) INSPECTION

Work performed and material received is subject to inspection and rejection by Buyer. Payment for material or work shall not constitute acceptance. Rejected materials will be held at Seller's risk for a reasonable time and will be returned or disposed of according to Seller's instructions. The net proceeds of any disposition will be credited to Seller's account. No returned material will be replaced without Buyer's written replacement order.

(6) MODIFICATION OF ORDER

1. Buyer reserves the right to make changes in specifications or requirements of this order at any time. Buyer shall have the right to make changes in this order, but no additional charge will be allowed unless authorized in writing by Buyer. If such change affects delivery or the amount to be paid by Buyer, Seller shall notify Buyer immediately, and negotiate an adjustment in accordance with this "Modification of Order" clause.

2. In any event the maximum liability of the Buyer for obsolescence, scrappage, and/or rework resulting from any change shall be limited to the materials and parts in process at the time of the change and when such parts are within the Seller's normal manufacturing cycle required to meet the established delivery schedule. Buyer shall have no liability hereunder for cost of obsolescence, scrappage or rework of materials and parts which Seller has released for manufacture in advance of Seller's normal manufacturing process.

(7) WARRANTY AS TO QUALITY

Seller warrants that all materials and work covered by this order will: (a) be of good and merchantable quality and workmanship and free from defects; (b) conform to the drawings, specifications, descriptions, and samples furnished or specified by Buyer; (c) if a product of Seller is produced according to Seller's specifications, be suitable for its intended purposes. Without Buyer's written consent, no materials may be substituted for those specified; (d) free and clear from all liens and encumbrances; (e) fit for their particular purpose, if Seller knows or

has reason to know of such particular purpose. The Warranties contained in this paragraph are in addition to the warranties provided by law including, without limitation, the Uniform Commercial Code.

(8) **WARRANTY OF COMPLIANCE WITH LAW**

Seller warrants and represents that the materials and goods covered by this order will be produced, distributed, shipped, packaged and/or performed in compliance with all applicable federal, state and local laws and regulations, including without limitation, laws, rules and regulations including, without limitation, laws dealing with fair labor standards and public contracts. On Buyer's request, Seller agrees to furnish satisfactory evidence of compliance.

(9) **SUSPENSION OF SHIPMENTS AND CANCELLATION WITHOUT CAUSE**

On Buyer's request, Seller shall immediately suspend shipments of materials and performance of work for reasonable periods. Also, Buyer reserves the right to cancel this order in whole or part at any time without cause. Any extensions in times of delivery or performance, and any losses or damages resulting from suspension of shipments or partial or total cancellation of the order, shall be equitably adjusted between Buyer and Seller. Buyer shall not be liable for failure to accept delivery of materials or performance of work due to causes beyond Buyer's control, including without limitation fire, flood, or other casualty, court orders, acts of governmental authorities, or strikes or other work stoppages. Seller will not be entitled to recover any incidental or consequential damages upon any cancellation or breach by Buyer under or related to this order.

(10) **CANCELLATION FOR CAUSE**

Buyer may cancel this order in whole or part in the event of Seller's breach of any of the terms or conditions of the order, including without limitation the failure of materials or work to conform to the warranty as to quality under Section (7) or Seller's failure to make delivery as required under Section (3). Buyer may also cancel this order if Seller: (a) becomes insolvent; (b) files a voluntary petition in bankruptcy; (c) has an involuntary petition in bankruptcy filed against it; (d) has a receiver or trustee appointed for it; or (e) makes an assignment for the benefit of creditors.

(11) **BUYER'S RIGHTS ON CANCELLATION FOR CAUSE**

In the event of cancellation under Section (10) and without prejudice to any other rights or remedies, Buyer has the right to: (a) refuse to accept delivery of material or performance of work; (b) return to Seller any materials already accepted, recover any payments made for the same and for freight, storage, handling, and other expenses incurred, and be relieved of liability for any further payments to Seller; (c) recover any payments made to Seller for undelivered or returned materials or work to be performed; and (d) purchase elsewhere and charge Seller with any resultant losses.

(12) **ASSIGNMENT: PARTIES AND SUCCESSORS BOUND**

This order may not be assigned by Seller in whole or part without Buyer's written consent. This order and its terms and conditions are binding on the parties and their successors and assigns.

(13) **PRICE**

(A) **PERMISSION REQUIRED FOR PRICE CHANGE**

All prices listed are firm and shall not be changed without Buyer's prior written permission.

(B) **BUYER TO BENEFIT FROM PRICE DECREASE**

In the event of a decrease in Seller's published prices for the products covered by this contract, the contract prices shall be reduced accordingly. The reduced price shall apply to all shipments made after the price change.

(C) **EXTRA CHARGES**

No charges of any kind shall be added to the prices and charges appearing on the face of this [order/contract], [without Buyer's written permission/unless the parties have agreed to such extra charges in advance].

(D) **CLAIMS FOR EXTRA COMPENSATION**

Before proceeding with any work or shipment involving potential claims by Seller for compensation above the prices and charges specified in this order, Seller shall submit to Buyer an itemized statement supporting the extra compensation and if Buyer desires to have the work done or goods furnished at the

increased price or charge, Buyer's or purchasing agent will issue written instructions to Seller. Absent such written instructions to proceed, no claim for extra compensation will be allowed.

(E) CHARGES FOR SPECIAL TOOLING, DESIGN, OR RELATED SERVICES

All of Seller's invoices covering charges for special tooling or equipment, or design, engineering, research, or related services, shall be accompanied by a detailed list showing the charges for these items. All such invoices shall be net 30 days.

(14) GOVERNING LAW

Buyer and Seller hereby submit themselves to the Jurisdiction of the State of Ohio in connection with any cause of action arising under this contract. The validity, performance, construction and effect of this contract shall be governed by the laws of the State of Ohio.

(15) CONFIDENTIALITY

All information which Buyer has divulged or may divulge to the Seller and any information relating to the product which may have come into the possession of the Seller in the course of carrying out Buyer's purchase order shall be treated by the Seller in confidence and shall not without prior written consent of Buyer, be disclosed to any third parties, or be used for any purpose other than for the execution of this order.