

C&A TOOL ENGINEERING, INC.

STANDARD TERMS AND CONDITIONS OF SALE

1. **TERMS OF THE AGREEMENT PREVAIL:** This Agreement is expressly limited to the terms of this Agreement and the Basic Purchase Order Terms contained in the applicable Purchase Order. The terms of this Agreement prevail over any terms or conditions contained in any other documentation and expressly exclude any of Buyer's general terms and conditions contained in any Purchase Order or other document issued by Buyer. In the event of any conflict between the terms of this Agreement and the terms of any Purchase Order or any other document issued by Buyer, the terms of this Agreement prevail. All Buyer orders are subject to acceptance via a writing by Seller's authorized representative on Seller's acknowledgment form or letterhead. Seller may refuse to accept any order for any reason whatsoever without liability.

2. **ORDER PROCEDURE:**

2.1 Buyer shall initiate all Purchase Orders in written form via facsimile, e-mail, or US mail, and cause all Purchase Orders to contain the Basic Purchase Order Terms. By placing a Purchase Order, Buyer makes an offer to purchase the Goods pursuant to the terms and conditions of this Agreement, including the Basic Purchase Order Terms, and on no other terms. Except with respect to the Basic Purchase Order Terms, any variations made to the terms and conditions of this Agreement by Buyer in any Purchase Order are void and have no effect.

2.2 Seller has the right, in its sole discretion, to accept or reject any Purchase Order. Seller may accept any Purchase Order by confirming the order (whether by written confirmation, invoice or otherwise) or by delivering such Goods, whichever occurs first. No Purchase Order is binding on Seller unless accepted by Seller as provided in this Agreement.

2.3 Seller may, in its sole discretion, without liability or penalty, cancel any Individual Transaction for cause.

3. **SHIPMENT AND DELIVERY:**

3.1 Delivery dates are good faith estimates to the best of Seller's ability, but not guaranteed. Unless expressly agreed to by the Parties in any Individual Transaction, all shipments originating in the United States shall be delivered F.O.B. Origin.

3.2 Unless Seller otherwise agrees in writing, transportation will be collect, or if prepaid by Seller, will be billed to Buyer.

3.3 Seller shall properly pack, mark, and ship Goods and provide Buyer with shipment documentation showing the Purchase Order number, Seller's identification number for the subject Goods, the quantity of pieces in shipment, the number of cartons or containers in shipment, Seller's name, the bill of lading number, and the country of origin.

3.4 Buyer shall inspect the Goods upon receipt ("**Inspection Period**") of the Goods and either accept or, if such Goods are Nonconforming Goods or Excess Goods, reject such Goods. Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods or Excess Goods during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by Seller. If Buyer timely notifies Seller of any Nonconforming Goods or Excess Goods, Seller shall determine, in its sole discretion, whether the Goods are Nonconforming Goods or Excess Goods. If Seller determines that the Goods are Nonconforming Goods or Excess Goods, it shall, in its sole discretion: (a) if such Goods are Nonconforming Goods, (i) replace such Nonconforming Goods with conforming Goods, or (ii) refund the Price for such Nonconforming Goods, together with all shipping and handling expenses incurred by Buyer in connection therewith; or (b) if such Goods are Excess Goods, refund the Price for such Excess Goods, together with all shipping and handling expenses incurred by Buyer in connection therewith.

BUYER ACKNOWLEDGES AND AGREES THAT THE REMEDIES SET FORTH IN THIS SECTION ARE BUYER'S EXCLUSIVE REMEDIES FOR THE DELIVERY OF NONCONFORMING GOODS OR EXCESS GOODS.

4. **TITLE AND RISK OF LOSS:** Title and all risk of loss and damage to goods furnished hereunder pass to Buyer at the specified FOB point. Any charges at destination for handling, storage, and demurrage shall be charged to Buyer's account.

5. **PRICE AND PAYMENT:**

5.1 **Pricing.** Prices are subject to change without notice. Seller may adjust prices to include any anti-dumping and countervailing duty deposit rates on imported products upon any U.S. Commerce Dept. determination. Supplier may adjust pricing upon ninety (90) days written notice to Buyer in the event of fluctuations in raw material, manufacturing and packaging cost. Such adjustment shall be based on actual increases in raw material or manufacturing and packaging costs. Prices shown on any Seller-published price list or other literature are not offers to sell and are subject to express confirmation by Seller's written acknowledgment. Except as Seller otherwise specifies, all billings for goods/services will be at prices indicated on Seller's acknowledgment. Seller may, upon thirty (30) days notice to Buyer, revise prices of any unshipped goods covered by any order so as to conform to revisions in Seller's published price list. All orders are subject to a minimum quantity or charge as specifically stated at quotation time.

5.2 **Payment Terms.** Orders are subject to approval of Seller's Credit Department. If goods are manufactured to order, partial or complete prepayment may be required. For invoice purposes, delivery is deemed complete when goods are shipped from Seller. Payments shall be made in US dollars. Invoices will be rendered with each shipment. Payment is due

30 days from invoice date. Seller may accept partial payment for less than the full invoice amount, but such acceptance shall constitute neither a waiver of Seller's right to collect the balance nor an accord and satisfaction, notwithstanding Seller's endorsement of a check or other instrument. If Buyer delays shipments without Seller's prior written consent, payments become due 30 days from date when Seller is ready to make shipment. Goods held for Buyer shall be at Buyer's risk and expense.

5.3 **Invoice Disputes.** Buyer shall notify Seller in writing of any dispute with any invoice a reasonably detailed description of the dispute within seven (7) days from the Buyer's receipt of such invoice. Buyer will be deemed to have accepted all invoices for which Seller does not receive timely notification of disputes, and shall pay all undisputed amounts due under such invoices within the period set forth in Section 5.01. The Parties shall seek to resolve all such disputes expeditiously and in good faith. Notwithstanding anything to the contrary, Buyer shall continue performing its obligations under this Agreement during any such dispute, including, without limitation, Buyer's obligation to pay all due and undisputed invoice amounts.

5.4 **Late Payments.** Any invoice not paid when due bears interest at a rate of 1½% per month until paid. Buyer shall also reimburse Seller for all reasonable costs incurred in collecting any late payments, including, without limitation, attorneys' fees. If Buyer fails to pay for any shipment when due, or if Buyer's account becomes otherwise delinquent, Seller may, at its option, either (i) terminate any existing sales contract or (ii) refuse to ship or deliver goods or provide further services under this or any other order until such delinquency is cured. If Buyer's financial condition becomes unsatisfactory to Seller or other grounds for insecurity warrant such action, Seller may demand Buyer's cash payments, security, or other adequate assurance. Buyer agrees to pay all of Seller's costs of collection, including reasonable attorneys' fees.

5.5 **General Lien.** Seller shall have a general lien on all Buyer property (and documents relating thereto) in Buyer's possession, custody and control or en route, for all claims for charges, expenses or advances incurred by Seller relating to any shipments of goods from Seller to Buyer. If such claim remains unsatisfied for 30 days after payment demand is made, Seller may sell at public auction or private sale, upon 10 days written notice to Buyer, the goods, or so much thereof as needed to satisfy such lien, and apply the net sale proceeds to payment of amounts due to Seller. Any sale surplus shall belong to Buyer, who also is liable for any deficiency.

5.6 **No Set-off Right.** Buyer shall not, and acknowledges that it will have no right, under this Agreement, any Purchase Order, any other agreement, document or Law, to withhold, offset, recoup or debit any amounts owed (or to become due and owing) to Seller or any of its Affiliates, whether under this Agreement or otherwise, against any other amount owed (or to become due and owing) to it by Seller or Seller's Affiliates, whether relating to Seller's or its Affiliates' breach or non-performance of this Agreement, any Purchase Order, any other agreement between (a) Buyer or any of its Affiliates and (b) Seller or any of its Affiliates, or otherwise.

6. **COMPLIANCE WITH LAWS:**

6.1 Buyer shall at all times comply with all Laws applicable to this Agreement, Buyer's performance of its obligations hereunder and Buyer's use or sale of the Goods. Without limiting the generality of the foregoing, Buyer shall (a) at its own expense, maintain all certifications, credentials, licenses, and permits necessary to conduct its business relating to the purchase or use of the Goods and (b) not engage in any activity or transaction involving the Goods, by way of shipment, use or otherwise, that violates any Law.

6.2 Buyer acknowledges that the Goods, including any software, documentation and any related technical data included with, or contained in, such Goods, and any products utilizing any such Goods, software, documentation, or technical data (collectively, "**Regulated Goods**") may be subject to US export control Laws and regulations, including the Export Administration Regulations promulgated under the Export Administration Act of 1979, and the International Traffic in Arms Regulations administered by the US Department of State.

6.3 Buyer shall supply end-use and end-user information to determine export license applicability. Buyer shall not make any disposition of the Products, by way of transshipment, re-export, diversion or otherwise, except as applicable U.S. export laws and regulations may expressly permit, and other than in and to the ultimate country of destination specified on Order(s) or declared as the country of ultimate destination on Seller's invoices or in the End Use Statement that Buyer supplies Seller.

6.4 Buyer shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.

- 6.5 Buyer shall be responsible for any breach of this Section by its, and its successors' and permitted assigns', parent, Affiliates, employees, officers, directors, customers, agents, distributors, resellers, or vendors that are not Buyer or Buyer's Representatives.
7. **PATENT INDEMNIFICATION:** Except for an infringement resulting from Buyer designed product or compliance with specific written instructions of Buyer directing a change in items to be delivered or in materials or equipment to be used, or directing a manner of performance not normally used by Seller, Seller shall indemnify Buyer against liability, including costs for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States patent, trademark or copyright, arising out of or relating to performance of this purchase order/contract. For Buyer designed product, Buyer will indemnify Seller to the same extent Buyer receives indemnification from Seller above. In no event shall Seller's total liability to Buyer under or due to compliance with this paragraph exceed the aggregate sum Buyer paid to Seller for purchase of the allegedly infringing goods. **THE FOREGOING IS BUYER'S EXCLUSIVE REMEDY FOR ANY ALLEGED PATENT INFRINGEMENT BY SUCH GOODS. NO OTHER COSTS OR EXPENSES UNDER THIS PARAGRAPH SHALL IN ANY EVENT BE INCURRED FOR SELLER'S ACCOUNT WITHOUT ITS PRIOR WRITTEN CONSENT.**
8. **INTELLECTUAL PROPERTY:** Buyer acknowledges and agrees that:
- 8.1 any and all Seller's Intellectual Property Rights are the sole and exclusive property of Seller or its licensors;
- 8.2 Buyer shall not acquire any ownership interest in any of Seller's Intellectual Property Rights under this Agreement;
- 8.3 if Buyer acquires any Intellectual Property Rights, rights in or relating to any Goods (including any rights in any Trademarks, derivative works, or patent improvements relating thereto) by operation of Law, or otherwise, such rights are deemed and are hereby irrevocably assigned to Seller or its licensors, as the case may be, without further action by either of the Parties; and
- 8.4 Buyer shall use Seller's Intellectual Property Rights solely for purposes of using the Goods under this Agreement and only in accordance with this Agreement and the instructions of Seller.
9. **CANCELLATION:** Buyer's cancellation of this order or any part thereof must be in writing, prior to scheduled shipment dates, and receive Seller's written approval. As a cancellation charge, Buyer shall pay to Seller all reasonable costs, expenses, damages, loss of profits and other reasonable losses of any kind affecting Seller or any subcontractor/supplier of Seller, including costs of tooling, components, material or labor, purchased goods, work-in-progress, or finished goods.
10. **DEFAULT:** If Buyer defaults in the performance of its obligations, if Buyer advises Seller that it will default in the performance of its obligations, or if any action is started by or against Buyer seeking the appointment of a trustee or receiver or the entry of an order for debtor's relief for Buyer, Seller may cease performance of its obligations, recover the Goods in transit or delivered and otherwise enforce its remedies for Buyer's default. Seller will be awarded interest and costs (such as reasonable attorney fees) in any proceeding to enforce its remedies in which it obtains relief or damages or in which it prevails in the defense of any action by Buyer.
11. **CONFIDENTIAL INFORMATION:** If Buyer receives any proprietary or confidential information from Seller, it shall be retained as confidential by Buyer and shall not be disclosed to any third party without Seller's written consent. Seller retains all rights to any invention, discovery, improvement, or patent or other intellectual property affecting goods delivered hereunder.
12. **LIMITED WARRANTY:** For twelve (12) months from date of invoice, the goods shall be free from defect in workmanship and materials. All goods shall, to the extent applicable, be subject to variations consistent with good practice regarding dimension, composition, and mechanical properties, and to normal variations in surface, internal conditions, and quality. **SELLER DISCLAIMS ALL OTHER EXPRESS AND IMPLIED WARRANTIES ABOUT THE CONDITION OR QUALITY OF THE GOODS, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** Seller neither assumes nor authorizes any other or additional liability for these goods.
13. **REMEDIES; LIMITATIONS:** If goods provided breach the foregoing warranty, Seller's sole liability thereunder is, at Seller's option, either to repair, replace, or repay the purchase price of defective goods, but only as to warranty claims made within the warranty period. Seller has a reasonable time to make repair or replacement.
14. **ORDER CHANGES:** Changes by Buyer to original order must be in writing and receive Seller's written approval. Any change that affects costs of tooling, components, material or labor, purchased goods, work-in-progress, or finished goods may be charged to Buyer.
15. **TITLE TO PERSONAL PROPERTY:** Unless otherwise specified herein, Seller has sole title and right to possession of all tooling, fixtures, dies, plans, drawings and other documentation used in performance of work under this order.
16. **LIMITATION OF LIABILITY:** Seller has no liability for any indirect, incidental, special or other consequential damages arising out of Seller's failure to perform, delay in performance, breach of warranty, or breach of any other term of this contract. Consequential damages herein excluded include but are not limited to Buyer's loss of revenue or profits, direct or indirect costs or losses associated with Buyer's production slowdowns or shutdowns, or claims asserted against Buyer by its customers or other parties. This limitation of liability applies regardless of the form of action asserted against Seller and even though damages were occasioned by Seller's negligence, or design or manufacturing defects in Seller's goods.
17. **CLAIMS BY BUYER:** If Buyer makes plant inspection of Buyer's ordered goods, Buyer's inspector is deemed Buyer's agent with authority to waive specified tests and details of test procedure and to accept goods as conforming to this contract regarding all characteristics of such goods for which inspection is made. All claims for damaged goods, defects or shortage which occurred prior to shipment must be in writing, be received by Seller at its address on the front of this document within 30 days after Buyer's receipt of goods, specifically describe Buyer's claim, and reference Seller's bill of lading and invoice number. Failure of Seller to receive said written notice of any such claim within such time period shall be deemed Buyer's unqualified acceptance of the goods and Buyer's unconditional waiver of any such claim. Buyer agrees to examine and inspect each shipment of goods for any such damage, defect or shortage promptly upon receipt of same. All claims for damage or shortage in transit must be filed by Buyer against carrier, and prosecution of such claims is Buyer's sole responsibility.
18. **SUCCESSORS, ASSIGNABILITY:** The responsibilities and rights created herein shall bind and inure to the benefit of the parties and their respective heirs, successors and assigns; however, Buyer shall not (by operation of law or otherwise) assign its rights or delegate its duties hereunder without Seller's prior written consent. Any such attempted assignment without such written consent is void. Seller may assign all of its rights to receipt of payment for goods and services hereunder in the ordinary course of its business .
19. **FORCE MAJEURE:** Seller will not be responsible for any delay or failure in any performance due, without limitation, to acts of god, war, warlike conditions, blockage, embargoes, riots, governmental restriction, labor disturbances, unavailability of anticipated usual means of supplies, transportation or loading facilities, wrecks, epidemics, quarantine, fire, flood, earthquake, explosion, any unforeseen change in circumstances, or any other causes beyond its reasonable control.
20. **CHOICE OF LAW: THE AGREEMENT IS GOVERNED, CONSTRUED AND ENFORCED UNDER THE LAWS OF THE STATE OF INDIANA INCLUDING THE UNIFORM COMMERCIAL CODE.** The U.N. Convention on the International Sales of Goods does not apply and all Parties consent to the exclusive jurisdiction of the Indiana courts for all disputes.
21. **TAXES:** To the extent legally permissible, all present and future taxes imposed by any Federal, State, Foreign, or local authority that Seller is required to pay or collect for the sale, purchase, transportation, delivery or storage of goods, including taxes measured by the receipts (except net income and equity franchise taxes), are for Buyer's account. If the amount of such taxes is not included in the invoice for the applicable goods, such amount may be invoiced later and separately.
22. **ARBITRATION:** Any dispute, claim or controversy arising out of or relating to this Order, or breach or termination hereof, may upon Seller's election be submitted to binding arbitration conducted under the Commercial Arbitration Rules of the American Arbitration Association before a single, neutral arbitrator. The arbitrator has no authority to award punitive damages and must render a written decision based on principles of law within twenty (20) days of the conclusion of the arbitration proceedings. This agreement to arbitrate shall be specifically enforceable, and any award rendered in an arbitration proceeding shall be final and a court of competent jurisdiction may enter judgment on it. The venue for such proceeding will be Indiana.
23. **MISCELLANEOUS:** These provisions and any others incorporated herein by written reference constitute the full understanding of the parties, a complete allocation of risks between them, and the entire, complete, and only agreement between them concerning the sale of goods. No change of any provision herein is effective unless made in writing and signed by Seller, including any request for the addition of FAR, DFAR, or other Government contract clauses. Seller's failure or delay in enforcement of any provision will not constitute a waiver of a breach or of that provision. If any provision herein is deemed unenforceable, such provision shall be deemed amended to conform to applicable laws so as to be enforceable or, if it cannot be so amended without materially altering the intended meaning, it shall be stricken and the remainder of these provisions shall remain effective. Any clause required by applicable law is hereby incorporated herein by reference with the same force and effect as though fully set forth herein.