



TERMS AND CONDITIONS OF PURCHASE

NOLTE PRECISE MANUFACTURING, INC. (hereinafter referred to as "Buyer") agrees to purchase and accept from Seller and Seller to sell and supply to Buyer the products ("Product(s)") described in this confirmation ("Confirmation") subject to the following:

1. ACCEPTANCE

THIS CONFIRMATION EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS AND CONDITIONS SET FORTH HEREIN, CONSTITUTES THE SOLE AND EXCLUSIVE AGREEMENT BETWEEN THE PARTIES, AND SUPERSEDES ANY OTHER PRIOR, CONTEMPORANEOUS AND/OR SUBSEQUENT OFFERS, COUNTEROFFERS AND/OR PROPOSALS BY BUYER, CONCERNING THE SUBJECT MATTER HEREOF. This Confirmation shall be deemed to be accepted and shall be a binding contract for the sale of the Products upon the first to occur of the following events: (i) Seller or its agent executing and delivering the acknowledgment copy of this Confirmation to Buyer; (ii) Seller issues its oral or written acknowledgment, (iii) Seller commences performance, or (iv) Seller otherwise accepts Buyer's order. By accepting this Confirmation, Seller waives all terms and conditions contained in its quotation, acknowledgment, invoice or other documents which are different from or additional to those contained herein, and all such different or additional terms and conditions shall be null and void. The terms and conditions set forth in this Confirmation shall constitute the sole and exclusive agreement as to the subject matter hereof between Seller and Buyer.

2. PRODUCTS, PACKING AND PRICING

- A. Products shall be suitably packed and shipped as designated by Buyer in accordance with the requirements of the carriers.
- B. Unless otherwise specifically agreed to in writing by Buyer, the stated price shall include any and all charges for any taxes, duties, levies, freight charges, packing charges, installation charges and any other fees, expenses, or charges whatsoever in connection with the Products.
- C. Buyer shall have the right upon notifying the Seller to suspend or make changes from time to time in the Products or to change the delivery date. If any such change affects the cost of such Products, an equitable adjustment shall be made, but any claim by the Seller for adjustment shall be asserted within thirty (30) days from its receipt of the notice.

3. DELIVERY

- No charges shall be allowed for packing, crating, freight and/or any other shipping services unless specified in a separate written order signed by Buyer ("Order"). Seller shall comply with Buyer's shipping instructions. Order number(s) shall appear on all correspondence, shipping labels and shipping documents, including all packing slips, bills of lading, air bills and invoices. All packing slips shall include Buyer's part number, where applicable, description, quantity, and a statement as to whether the order is partially or completely filled.
- A. Failure to deliver in accordance with the delivery schedule under the Order, if not excused, shall be a material breach of the Order. Buyer reserves the right to refuse or return at Seller's risk and expense shipments made in excess of Buyer's Order or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates.
 - B. Unless otherwise stipulated on this Order, Products shall be shipped FCA with a designated place on the Seller's side with risk of loss passing to Buyer upon receipt of the Products by Buyer's designated carrier.
 - C. Seller shall notify Buyer in writing immediately of any actual or potential delay in the performance of the Order. Such notice shall include a proposed revised schedule, but such notice and proposal or Buyer's receipt thereof shall not constitute a waiver of Buyer's rights and remedies hereunder.
 - D. If Seller shall be unable to deliver as scheduled, Buyer may require delivery by fastest way and charges resulting from premium transportation shall be prepaid by the Seller.

4. PAYMENT

Unless otherwise specified in this Confirmation, payment by Buyer shall be due 45 days after receipt of the Product by Buyer.

5. WARRANTY

A. Seller warrants that the Products shall be: (i) free of any third-party claim, including but not limited to any claims of infringement or violation of a trade secret, (ii) of merchantable quality, free from all defects in design and workmanship, and (iii) fit for the particular purposes for which they are intended, and in strict accordance with the specifications, samples, drawings, designs or other requirements (including performance specifications) approved by Buyer. All warranties under each Order shall be for the benefit of the Buyer, its successors, assigns, customers and the ultimate users of the Products. Seller shall make spare parts available to Buyer at Seller's then-current price for a period of five (5) years from the date of shipment of the Products. Seller will deliver to Buyer copies of any third party warranties.

B. Buyer shall notify Seller of any rejection for failure to conform to these Terms and Conditions. Failure of Buyer to reject any Product within any certain time period shall not constitute acceptance of defective or nonconforming Products.

C. In addition to any other remedies at law or in equity, arising from a breach of Seller's warranties, or any other provision contained herein, Buyer shall be entitled at all times to set off any amount owing from Seller to Buyer or any of its affiliated companies against any amount payable by Buyer.

6. INSPECTION/CANCELLATIONS

All Products shall be subject to inspection and test at all reasonable times and places by the Buyer, and Buyer's customers before, during and after performance and delivery. If any inspection or test is made on the premises of Seller or any of its suppliers, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. If any of the Products shall be found at any time to be defective in material or workmanship, or otherwise not in strict conformity with the requirements of this Order, Buyer, in addition to such other rights, remedies and choices as it may have by contract or by law, at its option and sole discretion, may (i) reject and return such Products at Seller's expense; or (ii) require Seller to inspect the Products and remove and replace nonconforming Products with conforming Products. If Buyer shall elect option (ii) above and Seller shall fail to promptly make the necessary inspection, removal and replacement, Buyer may, at its option, rework the discrepant Products and charge back the Seller for the required work.

7. INTELLECTUAL PROPERTY

Any intellectual or industrial property rights of whatever kind created by, relating to, or obtained through the production of the Products covered by this Confirmation shall belong to and remain the sole property of Buyer. Buyer retains title and all associated rights to any of its intellectual property supplied by Seller, including trademarks, trade names, copyrights, patents, product packaging, associated markings, advertising, marketing materials, manuals, specifications and designs, and all intellectual property contained in models, patterns, samples, fixtures, jigs, and custom made tooling, designed, built, and/or modified by the Seller, all of which may not be disclosed to third parties or copied by Seller without Buyer's prior written consent, which consent may be unreasonably withheld. Additionally, Seller shall keep confidential any technical, process or economic information derived from or contained in any drawings, specifications, software or other data of or supplied by Buyer ("Confidential Information") and shall not divulge, export or use, directly or indirectly, any such Confidential Information without obtaining Buyer's express prior written consent. All such Confidential Information shall be promptly returned to Buyer on request. Any intellectual property first made or conceived by Seller in performance of this Confirmation or any Order that was derived from or based on the use of information supplied by Buyer shall be considered to be the property of Buyer, and Seller shall execute such documents necessary to perfect Buyer's title thereto.

8. TERMINATION

Buyer may (without prejudice to its other rights or remedies) terminate or suspend Buyer's performance of the whole or any outstanding part of this Confirmation or any Order while investigating any claim relating to prior

shipments (under any invoice) of Product or in the event of any of the following circumstances: (i) Seller fails to deliver the Product as required herein, or breaches any other term of this Confirmation or any other Order between Seller and Buyer; (ii) Seller becomes bankrupt or insolvent or if a receiver takes possession of any material part of Seller's assets; (iii) reasonable grounds for insecurity arise with respect to the performance by Seller of its obligations under this Confirmation, and Buyer so notifies Seller; or (iv) Buyer is unable to perform its obligations as a result of causes beyond its reasonable control, including, without limitation, failure of suppliers or subcontractors, strikes, shortages of labor or materials, acts of God, government restrictions, wars, insurrections or terrorist activities.

9. APPLICABLE LAW

The rights and obligations of the parties hereto shall be determined according to the laws of the State of Ohio and this Confirmation and the contract arising therefrom shall be deemed to be made in Ohio.

10. TAXES

Any taxes, excises, or fees whatsoever of any National, State or local government or any of their political subdivisions presently existing or hereinafter arising in connection with the manufacture and sale of the Products designated with this Confirmation will be paid by Seller unless otherwise specifically agreed to in writing by Buyer.

11. LIABILITY/INDEMNITY

A. Seller shall be responsible for and indemnify and hold Seller harmless from and against, the actions and failure to act of Seller and all parties retained by, through, or under Seller in connection with the performance of this Confirmation and any Order.

B. Seller shall, without limitation, indemnify and save Buyer and its customers, and their respective owners, officers, directors, employees and agents harmless from and against all claims and resulting costs, expenses and liability, which arise from claimed or actual infringement or violation of any trade secret, personal injury, death, or property loss or damage attributed to, or caused by, the Products. Buyer may offset any claims it may have against Seller against any other amounts it may owe to Seller.

C. Should Buyer's use, or use by its customers, of any Products be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, (i) substitute fully equivalent non-infringing Products; (ii) modify the Products so that they no longer infringe but remain fully equivalent in functionality; (iii) obtain for Buyer and its customers the right to continue using the Products; or (iv) if none of the foregoing is possible, refund all amounts paid for the infringing Products.

12. AMENDMENTS

NO AGREEMENT OR UNDERSTANDING TO MODIFY THIS CONFIRMATION SHALL BE BINDING UPON BUYER UNLESS MADE IN WRITING AND SIGNED BY BUYER.

13. COMPLIANCE

Seller warrants that the Products shall be manufactured, sold and delivered, as applicable, in compliance with all applicable laws, rules and regulations. Seller agrees and warrants that in performance of its obligations under these Terms and Conditions and Seller's Confirmation accepted by Buyer, it will comply with US Foreign Corrupt Practices Act.

14. QUALITY CLAUSES

THESE REQUIREMENTS ARE CRITICAL. **Failure to comply is cause for rejection of merchandise and for withholding of payment for goods and services.**

A. Quality System – The supplier shall satisfactorily complete a quality assessment and maintain a quality system which complies with industry standards and specifications appropriate to the type of product supplied. A quality management system certified to applicable ISO 9000 series and/or AS900 series quality standards is preferred.

B. Notification of Nonconformance – Seller is required to notify Buyer of any non-conforming product identified by Seller and to receive approval from Buyer for disposition of said product. Buyer may require documented corrective action for any non-conforming product produced by Seller.

C. Certifications – When required on the face of the Purchase Order, the supplier shall furnish reports certification or test reports. Physical and Chemical mill certifications are required for each shipment of material. The supplier

must prevent the use of counterfeit parts.

D. Process Control – Changes in manufacturing process or outsourcing to an alternate supplier may not be implemented without prior written approval by Nolte Precise Manufacturing, Inc.

E. Flow Down of Requirements – The supplier shall impose requirements upon its vendors as appropriate to maintain compliance with the requirements of this purchase order.

F. Record Retention – The supplier will retain all quality related documents for a period of not less than 5 years.

G. Right of Access – Nolte Precise Manufacturing, Inc., its Customers, and any regulatory agencies reserve the right of inspection to determine and to verify the quality of workmanship and materials at all stages of production at Supplier's facilities or at any sub-supplier facilities.

H. Ethical Behavior – Supplier is expect to ensure that persons are aware of their contribution to product conformity and safety, and to act in an ethical and prudent manner.

15. INTEGRATION

The Agreement is a final, complete and exclusive agreement of Buyer and Seller. A confirmation or an amendment submitted by Seller orally or in a purchase order or other writing (whether or not it contains terms or conditions modifying, adding to, repugnant to or inconsistent with these Terms and Conditions of Sale), may be accepted, approved or filled by Buyer, but any resulting contract and the liabilities or obligations of Buyer will be determined solely by this Confirmation, and (unless Buyer otherwise advises Seller in writing) notice is given that Buyer objects to any such terms or conditions in Seller's purchase order or other document or communication.