

TERMS AND CONDITIONS OF PURCHASE

Introduction. Manufactured Assemblies Corporation is referred to as "Buyer" and the entity or person from which Buyer is purchasing goods, products and/or services (collectively referred to as "Goods") is referred to as "Seller". When these terms and conditions are part of a written contract between Seller and Buyer for the purchase of Goods, they shall be considered in addition to (and not in lieu of) the provisions of such written contract, and in case of any inconsistency, the provisions of such written contract shall control.

1. **Acceptance.** The Purchase Order constitutes Buyer's offer to Seller upon the terms and conditions stated herein and shall become a binding contract when it is accepted either by Seller's acknowledgment or performance. The Purchase Order expressly limits acceptance to the terms and conditions stated herein. Any additional or different terms or conditions proposed by Seller are objected to and hereby rejected, including without limitation, Seller's quotation or acknowledgment forms. Any reference in the Purchase Order to Seller's quotation or proposal does not imply acceptance of any terms or conditions in that quotation or proposal. Upon acceptance, the Purchase Order shall constitute the entire agreement between Buyer and Seller. Except as hereinafter provided, the Purchase Order may not be altered or modified except in writing, duly executed by an appropriate representative of each party.

2. **Changes.** The quantities, prices, terms, conditions or other pertinent specifications of the Purchase Order shall not be changed except by Buyer's written authorization. Where the Goods to be furnished are to be specifically manufactured in accordance with drawings and/or specifications, Buyer may, at any time, by written order, make changes in (i) drawings, designs or specifications, (ii) method of shipment or packing, (iii) place of delivery or (iv) postpone the delivery schedule. If any such change causes a material increase or decrease in the cost of, or time required for performance of the work under the Purchase Order, an equitable adjustment shall be made in the contract price or delivery schedule or both. Seller shall submit its claim within thirty (30) days from the date of receipt of notification of change unless said period is extended in writing by Buyer. Where Seller's claim for adjustment includes the cost of property which has become obsolete or excessive as the result of any change, and where Seller's claim is accepted by Buyer, Buyer shall have the right to prescribe the disposition of such property.

3. **Price.** If no price is set forth on the front of the Purchase Order, the Goods shall be billed at the price last quoted or at prevailing market price, whichever is lower, and in any event, Goods ordered hereunder may not be billed at a higher price than last quoted or charged without Buyer's specific written authorization. If Buyer can purchase Goods of comparable quality from another source at a lower cost than the delivered cost of the Goods then in effect hereunder, and Buyer gives Seller written notice thereof, Buyer may purchase such Goods, unless within fifteen (15) days of receipt by Seller of said notice, Seller shall meet such lower delivered cost for any equal quantity of Goods thereafter sold hereunder. Any Goods so purchased from another source shall be deducted from any obligation that Buyer may have hereunder, but the Purchase Order shall otherwise remain unaffected.

If Seller shall sell Goods of like kind and quantity during the term of the Purchase Order to any other customers, at a price which is lower for the same or a lesser quantity than the purchase price then in effect hereunder, the purchase price hereunder shall be reduced to such lower price for all shipments made while such lower price remains in effect for other customers. Except as otherwise specified in the Purchase Order, the price includes all transportation charges, and all charges for Seller's packing, crating and storage.

4. **Taxes.** All taxes arising out of the transactions contemplated by the Purchase Order shall be borne by Seller except as otherwise specified by the parties in writing.

5. **Billing.** Invoices must be furnished in duplicate and mailed to the attention of Buyer's ACCOUNTS PAYABLE DEPARTMENT. Any charges properly prepaid by Seller on behalf of Buyer pursuant to the Purchase Order for which reimbursement is sought must be separately stated on the invoice and supported by appropriate receipts furnished to Buyer.

6. **Payment.** Payments shall be made as stated on the front of the Purchase Order less customary cash discount, unless Buyer agrees otherwise in writing. Buyer reserves the right to make payment following receipt and inspection of the Goods and required documentation as provided in the Purchase Order, without waiving its right to the cash discount. When invoices subject to discount are not mailed on the date of shipment, discount periods shall begin on the date the invoices are received in Buyer's office. Buyer's count will be accepted as final on all shipments not accompanied by a packing list. Payment of amounts due hereunder shall be subject to deduction of any amounts representing valid claims against Seller arising from this or any other transaction.

7. **Packing and Marking.** The Goods shall be packed to ensure safe and proper carriage of the Goods to Buyer in an undamaged condition and Seller shall be responsible for any loss or damage to the Goods which may arise from inadequate or inappropriate packing. The Goods shall also be marked and packaged by Seller in accordance with law, regulation, Buyer's instructions and packaging specifications and the requirements of the consolidated freight classification, exceptions to the classification or any applicable tariffs in effect on the date of shipment. A packing list shall be included with each shipment.

8. **Title and Risk of Loss; Shipment.** Title and risk of loss to the Goods shall remain in Seller until the Goods in a completed state have been delivered to and accepted by Buyer or an agent or consignee duly designated by Buyer at the delivery point specified by Buyer. Goods to be shipped shall be shipped F.O.B. destination, unless otherwise specified by Buyer.

9. **Specifications.** If designs, drawings, blueprints or specifications (collectively "specifications") are furnished by Buyer, the Purchase Order shall be based upon such specifications, and approval of samples by Buyer shall not relieve Seller from strict and full compliance with such specifications. Goods not conforming to such specifications may be rejected at any time.

10. **Payments Not Constituting Acceptance.** Payment for any Goods on the Purchase Order shall not constitute approval or acceptance of such Goods by Buyer, and Buyer's right of inspection shall survive payment. Seller shall repay Buyer the purchase price of any Goods found to be defective, not to conform to specifications or samples or not shipped in accordance with Buyer's delivery schedule and which are returned to Seller. Rejected Goods shall be returned at the expense of Seller upon rejection and Seller shall bear all risk of loss as to rejected Goods. Buyer may elect to retain rejected Goods and remedy any defects or nonconformity to the specifications, drawings or samples; and the cost of effecting such remedy shall be offset against any amounts due to Seller from Buyer.

11. **Contingencies/Force Majeure.** Neither party shall be held responsible for any delay or failure in performance hereunder caused by acts of God, war, riots, fire, explosion, flood, strike, lock-out, injunction, governmental laws or regulations, or any other cause beyond the control and without fault or negligence of such party, preventing the manufacture, shipment, acceptance, or use of the Goods; provided that the party who is affected or threatened by such event immediately notifies an authorized individual of the other party as to the nature and estimated effect upon its performance hereunder. Seller shall use its best efforts to remove any force majeure event to the extent possible.

At Buyer's option, the period specified for delivery of Goods hereunder and any warranties shall be extended by the period of delay occasioned by any such cause, and deliveries omitted shall be made during such extension, or the total quantity shall be reduced by the deliveries affected by the suspension of such performance, but the balance of the Purchase Order shall otherwise remain unaffected. Buyer shall have the option to terminate the Purchase Order without liability to Seller in the event of a suspension of performance hereunder. In the event of allocation by Seller as a result of the foregoing, Seller shall allocate its total available supply of production and Goods among Buyer and Seller's most favored customers on a fair and equitable basis.

12. **Default.** In the event of bankruptcy or insolvency proceedings involving Seller, or in the event of the appointment of an assignee for the benefit of creditors or of a receiver, or if Seller is insolvent or fails to perform any provision of the Purchase Order, or so fails to prosecute the work as to endanger its performance of the Purchase Order in accordance with its terms, Buyer may, by written notice to Seller, without any liability whatsoever and without prejudice to any other rights or remedies which Buyer may have under the Purchase Order or in law or equity, terminate, in whole or in part, further performance by Seller of the Purchase Order and any other outstanding purchase orders.

In the event of such an occurrence, Buyer may complete Seller's performance by such reasonable means as Buyer determines, and Seller shall be responsible for, and shall indemnify Buyer against, any expenses and reasonable costs incurred by Buyer as a result thereof, including without limitation, attorneys' fees. Any amounts due Seller for Goods delivered or provided by Seller in full compliance with the terms of the Purchase Order prior to such event shall be subject to setoff of Buyer's additional costs and expenses of completing the Purchase Order and other damages incurred by Buyer as a result of Seller's default. Waiver by Buyer of any default of Seller shall not be considered to be a waiver by Buyer of any provision of the Purchase Order or of any subsequent default by Seller. Seller shall return to Buyer and Buyer may at any time enter Seller's premises to repossess any Buyer-Owned Property (as defined in paragraph 30 below) without liability to Buyer.

13. **Inspection and Expedition.** Buyer and its customers, at Buyer's option, shall have the right to visit the premises of Seller and any of Seller's suppliers during their normal hours of operation to inspect and test the Goods and work in process and to expedite their manufacture and delivery without relieving Seller of its obligations hereunder. Inspection or testing by Buyer (as well as Buyer's failure to detect any defect in the Goods) shall not constitute "acceptance" by Buyer nor impose any liabilities on Buyer; and, notwithstanding any such inspection (or failure to detect any defect in the Goods), Buyer reserves the right to reject the Goods for noncompliance with the provisions of the Purchase Order.

Seller shall provide and maintain an inspection and process or quality control system, or both, acceptable to Buyer and its customers covering the Goods hereunder. Records of all inspection work and/or test work by Seller shall be kept complete and available to Buyer and its customers during the performance of the Purchase Order and for a period of five (5) years after the performance of the Purchase Order. Any prints or tool drawings maintained by Seller on Buyer's behalf shall be returned to Buyer upon completion of the performance of the Purchase Order.

14. **Documentation.** It is agreed that all technical documentation and other literature necessary for the proper use of the Goods will be provided to Buyer with the Goods, unless otherwise directed by Buyer, and its cost is included in the price.

15. **Insurance/Work on Premises.** If Seller's performance requires Seller, its employees, agents or **representatives** to perform services or labor in the plants or on the premises of Buyer, its agents, customers, or users, Seller agrees to comply with all plant safety regulations of Buyer, to indemnify and hold harmless Buyer against all claims and liabilities for injury or damage to persons or property arising out of such performance by Seller, and to maintain insurance coverage in amounts acceptable to Buyer during such performance. Seller shall furnish Buyer, upon demand, an acceptable insurance carrier's certificate showing that Seller has appropriate Workers' Compensation, Public Liability and Property Damage insurance coverage as reasonably determined by Buyer, setting forth the amount of coverage, policy number and date of expiration, and naming Buyer as an insured if so requested. Buyer shall have no obligation to maintain insurance against any loss or damage to any materials or equipment of Seller used by Seller in connection with the performance of work on Buyer's premises nor shall Buyer have any duty to maintain insurance against any accidents or injuries to persons resulting from Seller's performance of work on the premises. Seller shall at all times keep the premises free from accumulation of waste material and rubbish. Seller shall leave the premises and the Goods in broom-clean condition.

16. **Reports.** Seller shall furnish to Buyer written reports of the cumulative quantities of Goods released hereunder and the status of any Goods in process at least quarterly or in accordance with a reporting schedule otherwise agreed to by the parties.

17. **Planning Information.** Any forecast that may be made by Buyer of its requirements shall be made in good faith to assist Seller for planning purposes, but such forecast shall not be deemed a commitment or guarantee by Buyer. Buyer shall not be responsible for or liable to Seller for any costs or damages relating to Seller's or any third-party's change, alteration, use or fabrication of such materials.

18. **Delivery - Inventory Control.** Deliveries shall be made strictly in accordance with Buyer's direction, and in exact quantities ordered. Seller will limit and phase expenditures, incurrence of costs and purchases and subcontract commitments for raw materials and components so as to insure continuity of production and permit performance and completion of each production increment in sequence without creating any unreasonable accumulations of raw materials or components for any production increments. Shipments in excess of scheduled quantities or in advance of scheduled delivery dates as shown herein are not to be made without Buyer's written approval. Buyer reserves the right to return at Seller's expense any shipments received contrary to this instruction. Further, time of delivery is of the essence in the agreement. If Seller's deliveries are so far behind schedule that Buyer finds it necessary to call upon Seller for premium transportation, Seller shall be liable for the difference between specified and premium transportation. In addition, Seller shall perform overtime work and establish extra shifts without additional cost to Buyer, if necessary to maintain delivery dates. Acceptance by Buyer of any late delivery, either in whole or part, shall not constitute a waiver of its claim for any damages resulting from any such late delivery.

19. **Warranty.** Seller warrants that the Goods provided under the Purchase Order will be merchantable, fit for the intended purpose, free from any defects in material or workmanship, will conform to any specifications, drawings, samples and other descriptions and any other requirements of Buyer set forth in the Purchase Order. If required by Buyer, Seller shall promptly correct or replace the defective or nonconforming Goods. Shipping costs from Buyer's plant to Seller's plant for such returns shall be borne by Seller. If Buyer does not require correction or replacement, Seller shall repay such portion of the Purchase Order price of said Goods as is equitable under the circumstances. These warranties shall run to Buyer, its successors, assigns, customers and users of the Goods. Seller agrees, at its own expense and whenever and as often as reasonably requested by Buyer, to furnish and deliver to Buyer satisfactory evidence showing that all specifications and samples have been fully and completely complied with and that the Goods supplied hereunder fully and completely conform thereto. Buyer's approval of Seller's designs, materials or Goods shall not relieve Seller of the warranties set forth herein. The foregoing rights of Buyer are not exclusive and shall not limit Buyer's right to avail itself of any other remedy provided by the Purchase Order, at law or in equity.

20. **Cancellation or Suspension by Buyer.** Buyer reserves the right to cancel the Purchase Order, or any part thereof, at any time, even though Seller is not in default hereunder, by giving written notice to Seller. In the event of such cancellation, Buyer shall pay for all Goods delivered and completed and an equitable settlement shall be arrived at for costs incurred by Seller for Goods in process not to exceed the aggregate committed quantity and/or prices specified in the Purchase Order. Where cancellation is by reason of termination of a contract of the United States Government under which the Purchase Order has been placed, Buyer will pay Seller at such times as Buyer is paid by the United States Government. Upon receipt of any notice of cancellation hereunder, Seller shall, unless otherwise directed, immediately discontinue all work in progress and immediately cancel all orders or subcontracts given or made pursuant to the Purchase Order. Exercise by Buyer of the rights of cancellation reserved in this paragraph shall give rise to no liability on the part of Buyer except as specified in this paragraph and shall not have the effect of waiving damages Buyer might otherwise be entitled to. Buyer further reserves the right, from time to time and upon written notice to Seller, to suspend and reinstate execution of the whole or any part of the Purchase Order or any other outstanding purchase orders without invalidating the other provisions of the Purchase Order.

21. **Patent Indemnity.** Seller hereby warrants that the Goods purchased hereunder and the manufacture, sale, resale or use of them will not infringe any patent, copyright or other intellectual property rights ("Intellectual Property Rights") of other persons. Unless otherwise specifically agreed to in writing, Seller agrees to indemnify and hold harmless Buyer, its successors, assigns, customers and users of the Goods against any loss, damage, liability, costs and expenses which may be incurred by them as a result of or in defending or settling any suit, claim, judgment or demand involving infringement of Intellectual Property Rights of other persons by the sale, resale or use of the Goods purchased hereunder. Seller agrees that it will assume the defense of Buyer, its successors, assigns, customers and users of its Goods against any such aforementioned suits, claims or demands, and Buyer shall be consulted and have approval rights in the choice of defense counsel and the conduct of the defense.

22. **Assignment.** Seller shall not assign any portion of the Purchase Order, or any duty or right herein or any claim arising hereunder, and Seller's performance hereunder shall not be delegated without the prior written consent of Buyer. The Purchase Order also may not be assigned by operation of law, by a merger, or by judicial sale or otherwise, without the prior written consent of Buyer. Any unauthorized assignment or attempted assignment by Seller shall constitute a material breach of the Purchase Order. The Purchase Order may be assigned by Buyer without Seller's consent.

23. **Waivers.** Failure of Buyer to insist on performance of any of the terms and conditions or requirements of the Purchase Order shall not be construed as a waiver of such terms, conditions or requirements and shall not affect the right of Buyer thereafter to enforce each and every term, condition or requirement hereof.

24. **Labor Disputes.** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of the Purchase Order, Seller shall immediately give notice thereof, including all relevant **information** with respect thereto to Buyer. Seller agrees to insert the substance of this clause in any subcontract hereunder as to which a labor dispute may delay the timely performance of the Purchase Order, except that each such subcontract shall provide that the notice and information mentioned above shall be given to its next higher tier contractor.

25. **Compliance with Laws.** Seller agrees to comply with all applicable national, state, and local laws, rules, regulations or orders, as amended or superseded, including without limitation, the applicable provisions of: (i) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101); (ii) the U.S. Fair Labor Standards Act of 1938; (iii) the Occupational Safety & Health Act of 1970; and (iv) all applicable orders issued by the Secretary of Labor; and the full texts of all of the aforementioned laws, rules, regulations and orders are incorporated herein by reference.

26. **Rights and Remedies.** Any rights or remedies granted to Buyer herein shall not be exclusive of, but shall be in addition to, any other rights or remedies that Buyer may have at law or in equity.

27. **Proprietary Rights.** Seller agrees that all Buyer-Owned Property (as defined in paragraph 30 below) and all other information relating to Buyer's business, including without limitation, improvements to the Goods, are Buyer's proprietary property ("Proprietary Property") and shall not be utilized for purposes other than fulfillment of the Purchase Order. Seller shall safeguard, treat as confidential, and shall not disclose to any third party, use, or reproduce any of Buyer's Proprietary Property so long as, and to the extent that such property does not become part of the public domain through no fault of Seller. These obligations shall survive the termination or expiration of the Purchase Order.

28. **Products, Methods and Manufacturing Processes.** Any knowledge or information which Seller shall have disclosed or may hereafter disclose to Buyer incident to the placing or filling of the Purchase Order, shall not, unless otherwise specifically agreed to in writing by Buyer, be deemed to be confidential or proprietary information and accordingly shall be acquired by Buyer free from any restrictions.

29. **Records.** When Buyer or its customers require the maintenance of records of Goods, materials, parts, assemblies and/or manufacture, and Buyer provides Seller with written notice of such requirement, Seller agrees to maintain such records, including drawing number, serial number, if any, and testing data of such Goods, tool drawings, materials, parts, assemblies and/or manufacture and will maintain such records for seven (7) years from the date of completion of the Purchase Order.

30. **Buyer-Owned Property.** Unless Buyer and Seller otherwise agree in writing, the following provisions shall apply to any drawings, designs, specifications, tools, tooling, jigs, dies, patterns, equipment, materials, samples or other properties used in the manufacture of Goods for Buyer or in the performance of the Purchase Order, that are either supplied to Seller by Buyer, or have been paid for by Buyer. All such properties shall be referred to as "Buyer-Owned Property."

A. Seller shall have the right to use Buyer-Owned Property without payment for usage as required in the performance of the Purchase Order or other work for Buyer, but shall not use Buyer-Owned Property in the performance of any other work without prior written approval of Buyer. Title to all Buyer-Owned Property shall at all times remain with Buyer. Title to such property which is procured or manufactured by Seller for Buyer shall be fully vested in Buyer upon payment for same by Buyer.

B. Seller shall take all necessary measures to preserve Buyer's title to Buyer-Owned Property, free of all encumbrances. Buyer retains the right, in addition to other rights provided by law, to enter Seller's premises at any time and remove Buyer-Owned Property with or without a court order and without being liable for trespass.

C. Seller shall, on written request of Buyer, properly pack and ship Buyer-Owned Property to such destination as designated by Buyer.

D. Seller shall, at its expense, perform all maintenance work, repairs and replacements necessary with respect to applicable Buyer-Owned Property so that such property remains suitable for the use intended.

E. The risk of loss or damage to all Buyer-Owned Property shall be with Seller from the time that Buyer-Owned Property is delivered to Seller until that Buyer-Owned Property is removed from Seller's place of business as directed by Buyer in writing. Adequate insurance on all Buyer-Owned Property shall be maintained by Seller in such amounts and coverages acceptable to Buyer; and further, proof of such insurance coverage on Buyer-Owned Property shall be provided to Buyer by Seller upon written request of Buyer.

F. Buyer shall not be liable for loss, damage, detention or delay resulting from causes beyond its control with respect to any Buyer-Owned Property to be delivered to Seller by Buyer.

G. Seller shall assume and shall indemnify Buyer against any and all liability for damaged property or injury to, or death of any persons arising from, incidental to the presence of, or use of Buyer-Owned Property, whether such damage, injury or death is caused by defects in the property, negligence in the use thereof, or otherwise.

H. Buyer-Owned Property shall be plainly marked or otherwise adequately identified by Seller as property of Buyer and shall be safely stored separately and apart from Seller's property. Seller shall, upon receipt of written request, provide Buyer with a current listing of Buyer-Owned Property in its possession, indicating complete descriptions, quantities and property conditions.

I. Seller shall return to Buyer and Buyer may at any time enter Seller's premises to repossess any Buyer-Owned Property without liability to Buyer.

31. **Indemnity.** Seller, its heirs, successors, permitted assigns and legal representatives, shall forever protect, indemnify and hold harmless Buyer, its subsidiaries and affiliated companies, their successors, assigns, customers and users of the Goods provided hereunder, against all damages, expenses, claims, suits, demands, costs, attorneys' fees or losses of every kind arising out of or alleged to have arisen out of or in connection with Seller's performance or lack of performance hereunder or breach of any terms or conditions of the Purchase Order.

32. **Governing Law.** The Purchase Order, and all transactions relating thereto, shall be interpreted under, and governed by, the laws of the State of Ohio in the United States of America without regard to its conflict of law principles. Buyer and Seller agree that the proper venue for all actions arising in connection herewith shall be deemed exclusively proper only in state court in Montgomery County, Ohio or in the federal court for the Southern District of Ohio, Western Division and the parties agree to submit to such jurisdiction. Further, the United Nations Convention on the International Sale of Goods (1980) (as amended from time to time) shall not apply to the Purchase Order or any transactions relating thereto.

33. **Government Contract Provisions.** If the Purchase Order is being placed in fulfillment of a contract with a federal, state, or local government entity, all provisions required by such contract to be included herein are hereby incorporated by reference with the same force and effect as if they were included in full text. Without limiting the foregoing, the following clauses shall be deemed included in the Purchase Order: 48 CFR 52.222-26, Equal Opportunity; 48 CFR 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era, and 48 CFR 52.222-36, Affirmative Action for Workers with Disabilities. In connection therewith, the term "Seller" shall be substituted for "Contractor" unless the context otherwise requires.

34. **Entire Agreement and Miscellaneous.** This document constitutes the full understanding of the parties, and no terms, conditions, understandings or agreements purporting to modify or vary the terms of the Purchase Order or agreement shall be binding unless hereafter made in writing with reference to the Purchase Order and signed by authorized representatives of both parties. These terms and conditions take precedence over Seller's additional or different terms and conditions, to which notice of objection is hereby given.