# TERMS AND CONDITIONS OF SALE

Meadville Forging Company, L.P. ("Seller") is bargaining for and will do business only on these terms and conditions (these "Terms"), and Seller's acceptance of orders is expressly subject to and conditioned on the buyer of any goods and/or services ("Buyer") agreement to these Terms.

1. **ACCEPTANCE; CONTRARY TERMS; ENTIRE AGREEMENT.** All orders for goods and/or services ("Articles") are subject to acceptance by Seller. Any price quotation referencing these Terms shall expire if not accepted within fifteen (15) days from the date of the quotation, unless otherwise stated in such quotation. BUYER'S ORDER IS ACCEPTED ONLY ON THESE TERMS, AND THE PROVISIONS OF ANY PURCHASE ORDER OR OTHER WRITING INCONSISTENT HEREWITH SHALL NOT CONSTITUTE A PART OF THE CONTRACT OF SALE. Seller's acceptance is conditional on assent to these Terms. If any of these Terms are not acceptable to Buyer, Seller must be notified promptly. If Seller does not receive Buyer's written objection to any of these Terms within ten (10) days of Buyer's receiving an acknowledgment from Seller, or if Buyer accepts delivery of Articles, these Terms shall be deemed irrevocably accepted by Buyer. The failure of Seller to object to provisions contained in any purchase order or communication from Buyer shall not be construed as an acceptance of any such provision or as a waiver of these Terms. Without limiting the foregoing, Seller expressly objects to all additional or contradictory terms specified in any other email, acknowledgement, purchase order, confirmation or other document supplied by Buyer pertaining to Articles, including without limitation those terms and conditions regarding warranty and indemnity. Upon Buyer's receipt of an acknowledgement from Seller, Buyer's order shall be non-cancellable unless Seller shall consent in writing. No online or electronic terms or conditions of Buyer will be binding on Seller even though such terms were "accepted" in order to access or use a system. These Terms, together with the email, price quotation, order acknowledgement or similar form issued by Seller and referencing these Terms, is intended by the parties to be the final expression of their agreement (the "Agreement") and is intended also as a complete and exclusive statement of the terms and conditions thereof. No modification of any term or condition will be valid or binding upon Seller unless approved by Seller in a writing hand-signed by Seller.

2. **PRICES; PAYMENT.** All payments shall be due in full Net 30 days from the date of Seller's invoice. Seller reserves the right to require full cash payment in advance or at the time of shipment whenever, for any reason, doubt as to Buyer's financial responsibility develops, and Seller shall not in such event be liable for non-performance. A service charge shall be incurred if payment is received after the due date, calculated as one and one-half percent (1½%) of the invoice amount for every thirty (30) days (or fraction thereof) from the due date. For example, if payment is received between one (1) and thirty (30) days from the due date, the service charge shall be calculated as one and one-half percent (1½%) of the invoice amount; if payment is received between thirty-one (31) and sixty (60) days from due date, the service charge shall be calculated as three percent (3%) of the invoice amount; if payment is received between sixty-one (61) and ninety (90) days from due date, the service charge shall be calculated as four and one-half percent (4½%) of the invoice amount. In addition to all other remedies available under this Agreement or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend the delivery of any Articles if Buyer fails to pay any amounts when due hereunder.

3. **CONDITION AND TOLERANCES.** Prices offered are for trimmed forgings, exclusive of heat treatment, machining or additional material for machining, unless otherwise specified. The standard Forging Industry Association quantity and dimensional tolerances apply, unless otherwise specified.

4. **TAXES AND FEES.** Prices stated in this Agreement do not include any sales, use or excise taxes, charges or duties, or any other tax, fee or charge of any nature whatsoever imposed by any governmental authority on or measured by any transaction between Seller and Buyer. Buyer will pay all such taxes, fees, charges and duties. In the event Seller is required to pay any such tax, fee or charge, Buyer shall reimburse Seller therefore. Prices stated in this Agreement do not include travel or other out-of-pocket expenses incurred by Seller in connection with the performance of any services included within the Articles, and Buyer agrees to reimburse Seller for all such expenses.

5. **RISK OF LOSS; SHIPMENT.** Unless otherwise specified in this Agreement, all shipments are F.O.B. Seller's location, Meadville, PA. Risk of loss will pass to Buyer at the time Articles are tendered for shipment. In the absence of shipping instructions, Seller will use its discretion as to the selection of shipping services and routes. Seller assumes no responsibility in connection with the shipment of articles to Buyer. All freight, shipping, drayage, boxing, crating, and other charges, both to and from Seller's facility, are the responsibility of Buyer. Title to Articles will remain with Seller until full payment is received by Seller. Seller will use commercially reasonable efforts to meet the shipping date, subject to Buyer's prompt provision of all necessary, complete and correct specifications, information and data.

6. **TERMINATION.** In addition to any remedies that may be provided under these Terms or applicable law, Seller may terminate this Agreement without liability and with immediate effect upon notice to Buyer if Buyer: (a) fails to pay any amount when due under this Agreement; (b) has not otherwise performed or complied with any of these Terms, in whole or in part; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

7. **SHORTAGES AND INVOICE DISPUTES.** All claims for shortages must be made to the Seller within 30 days from the date of shipment. All invoice disputes must be made in writing specifically identifying the deficiencies to the Seller within 45 days from the date of shipment or else they are waived. No goods may be returned for credit without Seller's prior agreement. Buyer has no right to offset claims against undisputed invoices.

8. **EXCLUSIVE LIMITED WARRANTY.** Seller warrants that at the time of shipment and for a period of one (1) year, the Articles will be free from defects in materials and workmanship. The warranty expressly provided herein may only be asserted by Buyer and may not be asserted by Buyer's customers or other users of Articles. THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE/PURPOSE. SELLER DISCLAIMS ALL WARRANTIES THAT MAY OTHERWISE ARISE AS A RESULT OF COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

9. **LIMITATION OF REMEDIES AND DAMAGES.** Seller's liability and Buyer's sole and exclusive remedy hereunder will be limited to repair, replacement or credit, at Seller's option, with respect to Articles found by Seller in its sole discretion to be defective and returned to Seller at Buyer's expense within 30 days after Buyer's receipt of such Articles. No Articles may be returned without Seller's express written preauthorization. Seller shall not be liable for a breach of warranty if: (a) the defect is caused by accident, improper storage, abuse, improperly controlled subsequent operations, or to surface indications revealed by nondestructive tests, pickling, heat treatment, or plating operations that are not included in the purchase order to the Seller, or which defects arise from Seller-supplied material; (b) Buyer alters or repairs the Articles without the prior written consent of Seller; or (c) Articles become defective or inoperative due to normal use, accident, misapplication, abuse or misuse. SELLER WILL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, COSTS OF SUBSTITUTE ARTICLES, MACHINE WORK OR LABOR COSTS, ARISING FROM THE SALE, USE OR INSTALLATION OF ARTICLES, FROM ARTICLES BEING INCORPORATED INTO OR BECOMING A COMPONENT OF ANOTHER ARTICLE, OR FROM ANY OTHER CAUSE WHATSOEVER, WHETHER BASED ON WARRANTY (EXPRESSED OR IMPLIED) OR OTHERWISE BASED ON CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY, AND REGARDLESS OF ANY ADVICE OR REPRESENTATIONS THAT MAY HAVE BEEN RENDERED BY SELLER CONCERNING THE SALE, USE OR INSTALLATION OF ARTICLES, EVEN IF SELLER IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER BY BUYER FOR THE ARTICLES WITHIN THE SIX (6) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO BUYER'S CLAIM. THE LIMITATIONS SET FORTH HEREIN SHALL BE VALID AND ENFORCEABLE NOTWITHSTANDING A FAILURE OF ESSENTIAL PURPOSE OF THE LIMITED REMEDY SET FORTH HEREIN.

10. **PATENT INDEMNITY; LIMITATION OF RESPONSIBILITY; INTELLECTUAL PROPERTY RIGHTS.** Seller does not warrant any goods, which are made by Seller upon specifications of the Buyer to be free of patent infringement and the Buyer covenants and agrees to save and protect Seller against any claim or demand from any such infringement, and after notice, to appear and defend at Buyer's own expense, any suits at law or in equity arising therefrom. All intellectual property rights related to the manufacturing of Seller's Articles remain the property of Seller and no license, transfer or assignment of Seller's propriety rights shall occur as a result of this Agreement or any order.

11. **EXCUSE FROM PERFORMANCE.** Seller shall not be liable for any costs, expenses or damages of any nature (whether general, consequential, as a penalty or liquidated or otherwise) if performance is rendered impracticable by any accident; breakdown; sabotage; riot; insurrection; war; delay; interruption in or failure of sources or subcontractors to supply materials and equipment; strike, labor or transportation problem; act of God; other causes and conditions, whether of like or different nature, that are beyond Seller's reasonable control; and orders, contracts, priorities, directives, requisitions or requests of the federal or state governments, whether or not voluntarily assumed. In the event of any such delay, at Seller's option, (a) the date of delivery shall be extended for a period equal to the time lost by reason of the delay, or (b) Seller will be excused from performance and Buyer will promptly, upon Seller's request, pay to Seller for any part or parts then completed or in process an amount determined by Seller to represent the proportionate price of the order so completed or in process.

12. **OFAC REPRESENTATION.** Buyer represents and warrants that Buyer is and shall at all times remain in compliance with all laws administered by the U.S. Treasury Office of Foreign Assets Control or any other governmental entity imposing economic sanctions and trade embargoes ("Economic Sanctions Laws") against designated countries, entities and persons ("Embargoed Targets"). Buyer is not an Embargoed Target or subject to any Economic Sanctions Law, and Buyer shall not (a) directly or indirectly export, re-export, transship or otherwise deliver Articles or any portion of Articles to an Embargoed Target or (b) broker, finance or otherwise facilitate any transaction in violation of any Economic Sanctions Law.

13. **CANCELLATIONS AND CHANGES.** Any request by Buyer for cancellation, termination, modification, suspension, or delay in shipment of Buyer's order may be accepted or rejected by Seller in its sole discretion. Buyer will fully indemnify and reimburse the Seller against all losses, costs, and expenses (including without limitation non-cancellable raw material orders, work in process, finished goods, and including all indirect and overhead charges and normal profit) arising in connection with any such request by Buyer that is accepted by Seller. No change proposed by Buyer in any term or condition will be valid or binding upon Seller unless approved in writing by Seller's duly authorized personnel.

14. **SECURITY INTEREST.** Buyer hereby grants to Seller and Seller hereby retains a security interest in all Articles sold by Seller and held by Buyer. Buyer shall join with Seller in executing one or more financing statements pursuant to the Uniform Commercial Code if requested by Seller and then in a form satisfactory to Seller to evidence and perfect Seller's security interest in all Articles. In the event Buyer shall be in default under this agreement, Seller shall have the remedies of a secured party under applicable law, including without limitation the Uniform Commercial Code.

15. **SETOFF.** Buyer may not set off any amount due from Seller, whether or not under this Agreement, against any amount due Seller hereunder without Seller's prior written consent.

16. **SOLICITATION OF PERSONNEL.** For so long as there is any order for Articles in effect between Buyer and Seller and for twelve (12) months thereafter, Buyer agrees that it shall not solicit for employment any employee or contractor of Seller.

17. **INSURANCE.** During the term of this Agreement, Buyer shall, at its own expense, maintain and carry insurance in full force and effect in amounts and types satisfactory to Seller. Upon Seller's request, Buyer shall provide Seller with a certificate of insurance evidencing the insurance coverage. Buyer shall provide Seller with thirty (30) days' advance written notice in the event of a cancellation or material change in Buyer's insurance policy. Under no circumstances shall Seller be required to provide additional insured status to Buyer, nor shall Seller's insurer be required to waive subrogation rights against Buyer or Buyer's insurer. Seller shall only be required to maintain insurance that is consistent with its own usual internal policies.

18. **NOTICES.** Any notice relating to this Agreement must be in writing and will be considered given within three days after it is deposited, postage prepaid, with a registered mail service and addressed to the other party at the address given in this Agreement; or, if delivered by hand, when so delivered.

19. **ASSIGNMENT.** Buyer may not assign any of its rights, duties or obligations under this Agreement without Seller's prior written consent. Any attempted assignment without Seller's consent, even if by operation of law, will be void.

20. **CONTROLLING LAW AND DISPUTE RESOLUTION.** The validity, construction and enforcement of this Agreement will be governed by and interpreted under the local, domestic law of the Commonwealth of Pennsylvania, including, without limitation, its provisions of the Uniform Commercial Code. The United Nations Convention on Contracts for the International Sales of Goods (CISG) shall not apply to this Agreement. Any controversy or claim arising out of or in connection with this Agreement shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Any such arbitration shall occur in Crawford County, Pennsylvania, and shall be conducted in the English language.

21. **WAIVER.** The failure of Seller to insist upon a strict performance of any of these Terms shall not be considered as a continuing waiver of any such term or condition, or any other term or condition, or any of Seller's rights. In addition, if any of the terms of this Agreement are held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination shall not affect the remainder of this Agreement and such remainder shall remain in full force and effect. The termination of this Agreement shall not terminate any indemnification or confidentiality obligation of Buyer hereunder.

22. **INDEPENDENT CONTRACTORS.** The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

23. **NO THIRD-PARTY BENEFICIARIES.** This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

24. **SURVIVAL.** The parties' rights and obligations, which by their nature would continue beyond the expiration or termination of this Agreement, including but not limited to those regarding indemnification, compliance with laws, warranties, limitations on liability, confidentiality and non-solicitation of employees, shall survive any termination or expiration of this Agreement.