

PURCHASE TERMS AND CONDITIONS

1. **OFFER, ACCEPTANCE, MODIFICATION:** Written acceptance of this order, commencement of any work or services, or shipment of any goods pursuant hereto shall constitute acceptance by Seller hereof. Such acceptance shall be upon the terms and conditions stated on the front and reverse sides hereof. All terms and conditions proposed by Seller which are different from or in addition to this order are expressly rejected by Buyer. No purported oral or verbal agreement or other understanding which attempts in any way to modify the conditions of this agreement will be binding upon Buyer. Any modification to this order shall be made only in writing signed by both parties hereto. Buyer's purchase order number must appear on all invoices and packages related to this purchase order. There shall be no other contracts, agreements, terms or conditions binding Buyer unless such additional agreements are executed by Buyer's Chief Operating Officer. Material safety data sheets must be included with original shipment, if required. Send all revised MSDS with applicable SARA notification.
2. **PRICE:** a) This order must not be filled at prices higher than those specified in this order, unless otherwise agreed to in writing by the Buyer. b) Unless otherwise agreed in writing by the Buyer, the price specified in this purchase order includes all charges for packing, cartage, storage, drayage, and transportation to consignee's address shown in the purchase order. Seller shall pay all delivery charges in excess of those Buyer has agreed to pay.
3. **TRANSPORTATION, DELIVERY, AND PAYMENT:** a) All shipments must be accompanied by a packing slip which described the goods, states the purchase order number, and shows the shipment's destination. b) Deliveries shall be made both in quantities and at times specified in this order or in Buyer's schedules. Buyer shall not be required to make payment for goods delivered to Buyer which are in excess of quantities specified in Buyer's delivery schedule in this purchase order or in written releases issued by Buyer. Buyer may reject any deliveries made more than two weeks after or before the specified delivery date. c) Equipment shipped hereunder must be shipped without oil or any other fluids unless Buyer requests otherwise, and must comply with all Buyer's specifications concerning compliance with local, state, and federal environmental regulations, including, but not limited to, those dealing with air pollution control, waste water control, chemical usage, and employee exposure. Seller shall bear all liability for spillage if the shipment does not so comply. d) In the event Seller fails to meet the agreed upon delivery requirements for reasons other than those specified in paragraph 8 below, and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified, Seller shall ship the goods as expeditiously as possible at Seller's expense and invoice Buyer for the amount which Buyer would have paid for normal shipment. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, encumbrances, and claims on the goods or services provided under this order. If Seller is a domestic supplier, Incoterms 2000 shall not apply. If Seller is an off-shore supplier, Incoterms 2000 shall apply.
4. **WARRANTIES OF SELLER:** Seller expressly warrants that all goods or services covered by this purchaser order (i) conform to the specifications, drawings, samples, or descriptions furnished to or by Buyer, (ii) are merchantable, of good material and workmanship and free from defect, and (iii) are fit and sufficient for the particular purpose intended by Buyer. All goods and services are subject to Buyer's inspection. Payment for, inspection of, or receipt of goods or services shall not constitute acceptance of the goods or a waiver of any breach of warranty.
5. **NONCONFORMING GOODS:** Nonconforming or defective goods may be returned to Seller or, at Buyer's option, full credit or replacement with new goods at Seller's risk and expense, including, without limitations, all expenses for labor and materials in dealing with or removing defective parts, all charges for storage, testing, handling, sorting, packaging and transportation both ways. No replacement of nonconforming or defective goods may be made except as authorized by a replacement order signed by Buyer.
6. **CHANGES:** Buyer at any time in writing may make changes in the drawings and specifications of the goods or otherwise change the scope of the work covered by this order including work with respect to such matters as inspection, testing or quality control, the method of packing and shipping, and the place of delivery. Seller agrees to promptly make such changes. If such changes affect the cost or time required for performance and if Seller makes claim for adjustment in writing within fourteen (14) days of receipt of notification of change, an equitable adjustment shall be made by the parties, and this purchase order shall be modified accordingly. Seller shall not make any change in design, processing, packing, shipping, or place of delivery without Buyer's written approval.
7. **CANCELLATION:** a) Buyer may immediately suspend or cancel this order without liability to Seller in the event of any of the following or any other comparable event: (i) insolvency of the Seller; (ii) filing of a voluntary petition in bankruptcy by Seller; filing of any involuntary petition in bankruptcy against Seller; (iii) appointment of a receiver or trustee for Seller, or (iv) execution of an assignment for the benefit of credit by Seller, provided that such petition, appointment, or assignment is not vacated or nullified within fifteen (15) days of such event. b) Buyer reserves the right to suspend or cancel all or any part of this order, without liability to Buyer, if Seller: (i) repudiates or breaches any of the terms of this order, including Seller's warranties; (ii) fails to perform services or deliver goods as specified by Buyer; or (iii) fails to make progress so as to endanger timely and proper completion of services or delivery of goods; and does not correct such failure or breach within ten (10) days after receipt of written notice from Buyer specifying such failure or breach. If Buyer terminates its purchase obligations pursuant to this paragraph, Buyer shall be entitled to recover all damages or losses attributable to such repudiation, breach, or failure by Seller. c.) In addition to any other rights of Buyer to suspend, cancel or terminate this order, Buyer may suspend, cancel or terminate all or any part of this order at any time and for any reason by giving written notice to Seller. Buyer shall pay to Seller the order price for all goods or services which have been completed in accordance with this order and not previously paid for. Where articles or materials are to be specifically manufactured for Buyer hereunder and where Seller is not in default, an equitable adjustment shall be made to cover Seller's actual cost, excluding profit, for work in process and raw materials as of the date of termination to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting practices to the suspended, cancelled, terminated portion of this purchase order. Buyer will make no payments for finished goods, work in process, or raw materials in amounts in excess of those authorized in delivery releases nor for any undelivered goods which are readily marketable. Blanket orders issued by Buyer are

intended to be used for planning purposes only and do not obligate the Buyer for costs and material beyond what is expected to be released within 90 days.

8. **USE OF DESIGNS AND PATTERNS:** If any goods included in this purchase order are made according to designs, specifications or blueprints by means of any patterns, tools or dies furnished by Buyer, Seller agrees that the goods or parts shall not be furnished to any other person and that such patterns, tools or dies will not be used on any goods or parts furnished to any other person or for any purpose other than the performance of work under this order without Buyer's written consent.
9. **INDEMNIFICATION AND INSURANCE:** a) Seller shall indemnify, defend, and hold harmless Buyer, customers, and users of its and their products against any and all suits, actions or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities, resulting from the death or injury to any person or damage to any property arising out of or in any way connected with the performance of this contract by Seller or the goods provided hereunder, notwithstanding that such claims may have been caused by the sole negligence of the Buyer, such negligence being expressly assumed by Seller hereunder. b) Seller shall maintain insurance coverage in amounts acceptable to Buyer for Workers' Compensation, Employer's Liability, and Comprehensive General Bodily Injury and Property Damage. Seller shall furnish Buyer with certificates of insurance setting forth the amounts of coverage, policy number(s), and expiration date(s).
10. **COMPLIANCE:** a) In providing goods or services hereunder, Seller will comply with any and all applicable federal, state, local, and foreign laws and regulations, including but not limited to the Federal Occupational Safety and Health Act of 1970, the Federal Hazardous Substances Act, the Transportation Safety Act of 1974, the Hazardous Materials Transportation Act, the Clean Air Act, the Toxic Substances Control Act, the Federal Water Pollution Control Act, the Section 6, 7 and 12 of the Fair Labor Standards Act, such amendments to such Acts and regulations and laws as may be promulgated thereunder. b) Seller represents that is compliance with all federal laws, rules and regulations relating to contracting with small and disadvantaged business concerns and to equal employment opportunity and affirmative action in the employment of minorities, women, individuals with disabilities, and certain veterans. All such laws, rules and regulations are incorporated herein by reference and Seller agrees not to discriminate against any employee or applicant for employment because of age, race, color, religion, sex, national origin, veterans' status, or physical/mental disability that is not related to the performance of the specific position. c) Seller will indemnify, defend, and hold Buyer harmless from and against any and all claims, losses, damages, costs and expenses (including reasonable attorney fees) resulting from or arising out of any failure of Seller or Seller's employees, agents, and subcontractors to comply with any applicable laws and regulations.
11. **PRODUCT VERIFICATION:** Buyer, or a third party nominated by Buyer, shall be afforded the right to verify at the Seller's premises that product conforms to specified requirements. Such verification shall not absolve the Seller of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the Buyer.
12. **INTELLECTUAL PROPERTY RIGHTS:** a) Buyer may disclose to the Seller either directly or through others, certain information which Buyer considers to be confidential. Seller agrees that any such disclosures made by Buyer, either directly or indirectly, will be kept in strict confidence by the Seller, and will not be used or disclosed by the Seller without the prior written consent of Buyer. b) the foregoing obligations shall not apply if the information disclosed to Seller (1) is or becomes generally available to the public through no act or failure to act by Seller; (2) was previously known to Seller prior to Seller's receipt of Buyer's disclosure hereunder, as evidenced by Seller's prior written records; or (3) is subsequently disclosed to Seller on a non-confidential basis by a third party not having confidential relationship to Buyer with respect to said information. c) the obligations herein shall extend for a period of five (5) years from the date of this Acknowledgment. d) Seller agrees, at its own expense, to defend any suit or action against Buyer or against those selling or using the goods or services covered by this order for alleged infringement of patent or invention rights arising from the sale or use of any and all such goods or services, and to defend, indemnify and save Buyer harmless from any and all damages, liabilities, claims, losses and expenses (including reasonable attorney's fees) paid or incurred by Buyer in connection with any such suit or action, whether against Buyer or against those selling or using the goods or services covered by this order, provided, however, that this indemnity shall not apply to any such damages, liabilities, claims, losses or expense arising out of compliance by Seller with specifications furnished by Buyer.
13. **RISK OF LOSS OR DAMAGE:** a) Risk of loss or damage to the goods furnished under the terms of this order shall pass to Buyer upon Buyer's acceptance of delivery of the goods from Seller. b) During that period the Seller bears the risk of loss or damage, as set forth above, the Seller shall, by insurance or otherwise, bear the complete risk of loss or damage to the equipment, no matter how caused, and shall hold harmless Buyer from any such liability.
14. **NON-ASSIGNMENT:** Assignment by Seller of this order of any part thereof without the written consent of Buyer shall be void.
15. **MISCELLANEOUS:** a) Seller may not assign or delegate its obligations under this order without Buyer's prior written consent. b) The failure of either party at any time to require performance by the other party of any provision of this order shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this order constitute a waiver of any succeeding breach of the same or any other provision. c) Seller and Buyer are independent contracting parties and nothing in this order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. d) This order is to be construed according to the law of the state from which this order is issued, as shown by the address, of the Buyer in the purchase order.
16. **EXCLUSION OF U.N. CONVENTION FOR THE INTERNATIONAL SALE OF GOODS:** The applicability of the United Nations Convention for the International Sale of Goods if the same would otherwise apply hereto, is EXPRESSLY excluded from this transaction.
17. **CORRESPONDENCE:** Correspondence relating to this purchase order should be addressed to P. C. Campana, Inc., 1374 East 28th Street, Lorain, Ohio, 44055, Attention: Chief Operating Officer.