

Stamco Industries, Inc.

Terms and Conditions

1. **PRICE.** Shipping allowances and prices are subject to change without notice. Increases in labor, freight and material costs before completion of contract plus applicable overhead may be invoiced to buyer. Premium time in excess of 40 hours per week as required by buyer will be invoiced as an extra item. Stenographical and clerical errors are subject to correction. All quotations unless otherwise stated are for immediate acceptance and are not subject to partial acceptance except by mutual agreement.
2. **SAMPLE.** Sample will be submitted for approval before going into production on new tooling without extra charge.
3. **TOLERANCES.** In the absence of specific requirements specified by customer on blueprint or in writing, commercial tolerances and custom and usage in manufacturing practices in the stamping industry shall apply. Commercial manufacturing practices and tolerances are those resulting from standard stamping procedures without extra operations or tooling. Burring is a costly operation, and burrs will be kept to a minimum consistent with efficient operation. No extra operations are included for their removal unless specified by seller.
4. **DELIVERY.** Unless otherwise specified on the face hereof, all deliveries are FOB point of shipment. Shipment will be made in accordance with instructions issued by seller's traffic department. Upon delivery of goods covered hereunder to carrier, buyer assumes risk of all loss and damage resulting from any cause whatsoever. Shipping dates are approximate and are not guaranteed. Seller reserves the right to ship and invoice for a quantity of goods, which may vary up to ten percent over or under the quantity specified and buyer agrees to accept delivery and pay for such revised quantity and consider the shipment to be complete. Any defect in quality or delays in delivery shall not affect the balance hereof. Partial deliveries shall be accepted by the buyer and paid for at contract prices and terms.
5. **CASUALTY AND AVAILABILITY OF RAW MATERIALS.** Seller shall not be liable for delays in delivery or failure to manufacture or deliver due to causes beyond its reasonable control, including but not limited to acts of God, acts of buyer, acts of military or civil authorities, fires, strikes, flood, epidemic, war, riot, delays in transportation or car shortages, or inability to obtain necessary labor, materials, components or services through seller's usual and regular sources at usual and regular prices. In any such event seller may, without notice to buyer, at any time and from time to time, postpone the delivery dates under this contract or make partial delivery or cancel all or any portion of this and any other contract with buyer without further liability to buyer. Cancellation of any part of this order shall not affect seller's right to payment for any product delivered hereunder. Orders requiring use of buyer's material are accepted subject to delivery of amount of material and in dimensions as, specified by seller, FOB seller's plant. If material is defective or will not perform to seller's requirements because of chemical composition, physical properties or dimensions, seller may cancel order without incurring liability, but buyer shall pay seller's costs through time of cancellation. Scrap resulting from stamping operations shall be property of seller unless otherwise agreed in

advance.

6. **WARRANTY.** Unless otherwise specified on the face hereof, seller warrants to buyer that the goods are free from defects in materials and workmanship for a period of twelve (12) months from the date of shipment. If it appears within twelve (12) months from the date of shipment that any goods do not meet the warranty specified above, and buyer notifies seller promptly, seller shall thereupon correct any such defect by repairing any defective goods, or at seller's option, by making available at seller's plant repaired or replacement goods; provided, however, that buyer shall pay all transportation charges. Seller will make no allowances for repairs or alterations to the goods made by buyer, unless made with the advance written consent of seller. Materials furnished by suppliers to seller are warranted by seller only to the extent of the original manufacturer's express warranty to seller. **THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED, INCLUDING ANY WARRANTY OF PERFORMANCE, MERCHANTABILITY OR FITNESS FOR PURPOSE.** The foregoing shall constitute the sole and exclusive remedy of buyer and the full liability of seller.

7. **LIMITATION OF SELLER'S LIABILITY AND LIMITATION OF BUYER'S REMEDY.** Seller's liability on any claim of any kind, including negligence, for any loss or damage arising out of, connected with, or resulting from the manufacture, sale, delivery, resale, repair or use of any goods or services covered by or furnished hereunder, shall in no case exceed the lesser of the cost of repairing or replacing goods failing to conform to the foregoing warranty or the price of the goods or services or part thereof which gives use to the claim. In the event that other remedies provided by this contract fail their essential purpose, buyer's sole and exclusive remedy shall be the refund of whatever portion of the purchase price has been paid. **IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR DAMAGES IN THE NATURE OF PENALTIES.**

8. **LIMITATION OF TIME FOR COMMENCEMENT OF ACTION BY BUYER.** Any action for breach hereof or for negligence must be commenced by buyer within one year after buyer's cause of action has accrued.

9. **INDEMNIFICATION.** Buyer agrees to defend and indemnify seller of and from any and all claims or liabilities asserted against seller in connection with the manufacture, sale, delivery, resale or repair or use of any goods covered by or furnished hereunder arising in whole or in part out of or by reason of the failure of buyer, its agents, servants, employees or customers to follow instructions, warnings or recommendations furnished by seller in connection with such goods, by reason of the failure of buyer, its agents, servants, employees or customers to comply with all federal, state and local laws applicable to such goods, or the use thereof, including the Occupational Safety and Health Act of 1970, or by reason of the negligence of buyer, its agents, servants, employees or customers.

10. **COMPLIANCE WITH LAW.** Seller certifies that the goods supplied hereunder were or will be produced in compliance with the Fair Labor Standards Act, as amended, and the regulations and orders of the United States Department of Labor issued thereunder.

11. **CANCELLATION.** Buyer may cancel only upon written notice to seller and upon payment to seller of reasonable and proper cancellation charges, including but not limited to (1) the proportionate price for all goods completed whether shipped or not, prior to seller's receipt of

notice of cancellation; (2) all costs theretofore incurred by seller in connection with goods uncompleted at the time notice of cancellation is received; (3) an amount equal to reasonable profits on all such costs; and (4) the expenses incurred by seller by reason of such cancellation, including reimbursement for any charges arising from termination of sub-contract claims.

12. TAXES. Liability for all taxes and import or export duties, imposed by any city, state, federal or other governmental authority, shall be assumed and paid by buyer. Buyer further agrees to defend and indemnify seller against any and all liabilities for such taxes or duties and legal fees or costs incurred by seller in connection therewith.

13. ASSISTANCE AND ADVICE. Upon request, seller in its discretion will furnish as an accommodation to buyer such technical advice or assistance as is available in reference to the goods. Seller assumes no obligations or liability for the advice or assistance given or results obtained, all such advice or assistance being given and accepted at buyer's risk.

14. TOOLS AND DRAWINGS. All materials, including but not limited to dies, gauges, molds, tools, fixtures, patterns or other items furnished by the buyer shall be fully covered by buyer with fire and extended coverage insurance and seller shall not be liable for damages to or loss of such materials resulting from risks covered by such insurance unless specifically requested by buyer and made a part of the order at buyer's expense. Buyer on behalf of itself and its insurers hereby releases seller from all liability arising in connection with any loss of or damage to such materials arising out of seller's negligence or otherwise. Dies inactive for a period of three years may at option of seller be scrapped upon notification of intent to buyer and upon failure to receive advice to the contrary within 90 days. Any resulting scrap value of dies shall belong to seller as payment in full for storage and maintenance costs. All specifications, drawings, designs, data, information, ideas, methods, patterns, and/or inventions, made, conceived, developed, or acquired by seller, incident to procuring and/or carrying out this contract will vest in and inure to seller's sole benefit. Buyer agrees not to disclose, give, loan, exhibit or sell to any other person any confidential manual, drawing, photograph, or specification or reproduction thereof furnished by seller except in connection with the resale of the product covered by or furnished under this contract. Special dies paid for by the buyer will be limited in use to buyer's requirements excepting by permission. Seller agrees to keep dies in normal and reasonable state of good preservation as long as they remain in seller's control, but seller accepts no responsibility for the operation of these dies when used in any other plant than seller's or after they have been once removed. Cost of adaptation, modification or excessive maintenance of tooling furnished by buyer will be charged for.

15. ENTIRE AGREEMENT. This agreement constitutes the entire contract between buyer and seller relating to the goods or services identified herein. No modification hereof shall be binding upon the seller unless in writing and signed by seller's duly authorized representative, and no modification shall be effected by seller's acknowledgment or acceptance of buyer's purchase order forms containing different provisions. Except as referred to in paragraph 3 above relating to tolerances, trade usage shall neither be applicable nor relevant to this agreement, nor be used in any manner whatsoever to explain, qualify or supplement any of the provisions hereof. No waiver by either party of default shall be deemed a waiver of any subsequent default