

**TRANS-MATIC MFG., INC.**  
**STANDARD TERMS FOR SALES OF GOODS OR SERVICES**

- 1) **Formation of Contract.** The terms set forth in this form are the sole terms for the sale of goods and services by Trans-Matic Mfg., Inc. ("Seller"), unless otherwise specifically provided for by Seller in this document, and shall apply to the exclusion of any inconsistent or additional terms contained in Buyer's order or acknowledgment or otherwise proposed by Buyer. Any contract made for the sale of goods or services by Seller is expressly conditional on Buyer's assent to all of the terms stated in this form. Seller objects to any additional or different terms proposed by Buyer. By signing this form below, Buyer acknowledges, accepts and agrees to the terms of this form. Buyer's acceptance of these terms shall be conclusively presumed by Buyer's signature on this form, by Buyer's submission of a purchase order in response to this document, or by Buyer's acceptance of goods or services from Seller. Seller's willingness to provide goods and services to Buyer is expressly conditioned upon the applicability of these terms and conditions to the parties' dealings.
- 2) **Price.**
  - a) **Exclusions.** The quoted price does not include applicable taxes such as city, state or federal, sales, use, or excise taxes. Furthermore, the quoted price does not include any other products, services or work not specifically described in this document. All taxes and charges shall be Buyer's responsibility and may be added to the invoice as a separate and additional charge to Buyer unless an acceptable exemption certificate is presented to Seller. Seller shall also have the right to separately bill Buyer at any time for any taxes and charges that are attributable to this sale, that the Seller may be required to pay. Buyer shall reimburse Seller on demand for all those amounts.
  - b) **Price Increases.** The price quoted by Seller shall be subject to any increases in Seller's cost of labor or materials occurring after the date of the quotation and before shipment. The price shall also be subject to increases to accommodate shipment in more than one lot, in the event Buyer does not desire shipment at one time of all the goods covered by the quotation.
- 3) **Payment Terms.** Payment in full on all invoices is due thirty (30) days after invoice date. Invoices not paid within thirty (30) days shall have a service charge added to the amount due of one and one half percent (1 1/2 %) per month. No cash discounts shall be allowed.
- 4) **Shipping.** Unless otherwise indicated, all quoted prices are F.O.B., Seller's plant, at which time title shall pass to Buyer. Buyer is solely responsible for all shipping and insurance for the goods and shall bear all risk of loss or damage to the goods during transit. Freight may be prepaid by Seller at its option and added to the invoice. Buyer shall promptly inspect all goods received from Seller and promptly inform Seller of any defects before using the goods.
- 5) **Limited Warranty and Disclaimer.** Seller warrants to the original Buyer that the goods manufactured by Seller shall be free under normal use from defects in material or workmanship, except for normal wear and tear, for a reasonable period of time not to exceed ninety (90) days from the date of shipment from Seller's warehouse. This warranty does not extend to future performance. The determination of whether a defect exists shall be made solely by Seller. Buyer shall not return any goods to Seller until Seller has been provided a reasonable opportunity to inspect and sample the goods at the Buyer's premises to determine whether a defect exists and whether the goods should be repaired or replaced. Any shipping cost for returning defective goods shall be paid by Seller. Any goods returned to Seller shall be subject to a reasonable charge to cover Seller's cost of handling, restocking, and reconditioning the goods to return them to saleable condition. This warranty shall not cover any article that has been misused, neglected, damaged or altered after leaving Seller's possession. Seller's obligation under its warranty is limited to Seller's repair or replacement, at Seller's sole discretion, of those goods sold by Seller to Buyer that do not satisfy this warranty, provided that written notice of the defect is given to Seller by Buyer within thirty (30) days after the defect is discovered.
  - 6) **DISCLAIMER**
    - (a) **NOTWITHSTANDING ANY OTHER PROVISION IN THIS DOCUMENT, SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALSO DISCLAIMS AND EXCLUDES ALL LIABILITY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT OR ANY OTHER SPECIAL DAMAGES OF BUYER, INCLUDING LOST PROFITS, FOR BREACH OF WARRANTY OR OF CONTRACT OR OTHERWISE.**
    - (b) **THIS WARRANTY IS THE SOLE AND EXCLUSIVE REMEDY OF BUYER AGAINST SELLER.**
- 7) **Buyer's Design Responsibility.** This section shall apply to the extent that Seller's goods are produced according to Buyer's specifications. Buyer acknowledges that Buyer is not relying on Seller in any way for design or engineering with respect to the products or the adequacy of the specifications. Seller has no responsibility for design, engineering or other advice regarding any product specifications provided by Buyer. Buyer's responsibility shall include, but not be limited to, responsibility for determining how goods made by Seller will perform when integrated into an assembly or subassembly with goods not made by Seller. Buyer shall defend, indemnify and hold Seller harmless against all product liability, product recall, and other claims, liabilities and expenses, including but not limited to actual attorney fees, incurred by Seller arising out of any claimed design or engineering defect relating to specifications provided by Buyer to Seller.
- 8) **License Regarding Buyer's Specifications.** Buyer grants to Seller an irrevocable nonexclusive license to produce parts pursuant to any specifications provided by Buyer. Buyer warrants that it has the authority to grant this license to Seller, and that neither the granting of this license nor Seller's manufacture and sale of parts produced according to Buyer's specifications will violate any agreement to which buyer is subject, any patent or other intellectual property right to any party, or any applicable law.
- 9) **Seller Initiated Changes.** Seller shall have the right to make design or engineering changes in its parts, equipment, processes and methods of manufacture, but shall make no changes in operational or dimensional specifications submitted by Buyer without Buyer's prior approval.
- 10) **Indemnification of Seller (General).** Buyer shall indemnify, defend, and hold Seller and its agents harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, sustained by Seller or its agents that are caused by any action of Buyer relating to the goods or services sold by Seller to Buyer.
- 11) **Indemnification of Seller (Patents).** Buyer shall indemnify, defend, and hold Seller and its agents harmless from all claims, liabilities, and expenses, including but not limited to actual attorney fees, arising out of any claim of infringement of a patent, copyright, trademark, trade name, or other proprietary right, or claim of unfair trade or of unfair competition in connection with the manufacture, sale, or use of the goods sold to Buyer, except to the extent that any claim, liability, or expense arises solely from specifications developed by Seller.
- 12) **Quantities.** Seller may overrun or under run the agreed-upon quantities by up to 5%, and Buyer will pay Seller at the unit price for quantities that Seller delivers within these limits. Any claim by Buyer that Seller failed to deliver the agreed-upon quantity of goods (subject to any adjustment under the preceding sentence) must be submitted to Seller in writing within thirty (30) days after Buyer receives the goods. If Buyer fails to do so, it will be conclusively presumed that the proper quantity was delivered.
- 13) **Cure.** If a shipment of goods is rejected by Buyer, Seller shall have the right to cure in any reasonable manner the error, defect, shortage or other nonconformity giving rise to the rejection.
- 14) **Tools.** All tools, jigs, dies, fixtures, patterns and equipment (collectively, the "Tools") (a) furnished to Seller by Buyer to perform the contract or (b) for which (i) Buyer has issued a Purchase Order to Seller to procure such Tools and (ii) Seller has been completely reimbursed by Buyer for all of Seller's cost in procuring such Tools, shall remain the property of Buyer ("Buyer's Tools"). All other Tools or any other asset or equipment used in connection with the production of goods ("Seller's Tools") shall belong to Seller. Buyer shall have no right, title or interest in, on, or against Seller's Tools. Seller shall keep Buyer's Tools in reasonable repair. Seller may charge a storage fee for Buyer's Tools left at Seller's place of business for more than 90 days after Seller has completed using them for the manufacturing and delivery of goods. All shipping charges for Buyer's Tools shall be Buyer's responsibility. Risk of loss during shipment of Buyer's Tools shall be on Buyer.
  - a) Buyer expressly grants to Seller a security interest in Buyer's Tools as security for payment of any sums owing from Buyer to Seller at any time for any reason. Seller shall have the right to retain possession of all those items until full payment for the goods has been made, without affecting any other rights or remedies available to Seller. Additionally, Seller expressly preserves and does not waive any and all lien rights available to it under applicable law, including, but not limited to any rights under any special tools or molder's lien acts.
- 15) **Reasonable Efforts.** Seller will use reasonable commercial efforts to supply Buyer with goods and services offered by Seller and ordered by Buyer. If Buyer causes or requests delay in the shipment of products or the provision of services, Buyer shall pay Seller for all expenses and losses of Seller resulting therefrom. In times of short supply, Seller is entitled to allocate products among its customers as it determines in its sole discretion to be appropriate under the circumstances.
- 16) **Force Majeure.** Any delay or failure of Seller to perform its obligations will be excused if and to the extent that it is caused by an event or occurrence beyond Seller's reasonable control, including, but not limited to, acts of God; governmental actions; embargoes; fires; explosions; natural disasters; epidemics; riots; wars; sabotage; terrorist acts, utility interruptions, failures or delays by Seller's vendors, or court injunction or order.
- 17) **Cancellation or Change.** Except as otherwise agreed by Seller in writing, a sale of goods or services under this document is not subject to cancellation or change. The following terms shall apply to any cancellation approved by Seller in writing except as otherwise agreed in writing:
  - a) Any items completed at the time Seller receives a written cancellation notice from Buyer will be shipped and invoiced at the contract price.
  - b) Work on the balance of the order will be stopped as promptly as reasonably possible and Seller shall be reimbursed for all actual expenditures, commitments, liabilities and costs, determined in accordance with generally accepted accounting practice, made or incurred with respect to those items not completed, plus a profit of ten percent (10%) on those expenses, less any net recovery to Seller on disposition of returned goods to others within a period of forty-five (45) days after the cancellation. In addition, Seller has the right to recover from Buyer all damages for cancellation, including but not limited to incidental, consequential and indirect damages and lost profits.
- 18) **Waiver.** No right or remedy of Seller shall be deemed to have been waived or renounced, in whole or in part, unless that waiver or renunciation is supported by consideration and is in writing signed by Seller.
- 19) **Confidentiality of Seller's Information.** Any information disclosed by Seller to Buyer is confidential, and Buyer agrees not to use or disclose any of that information without Seller's prior written consent.
- 20) **Buyer's Default.** Buyer is in default if any of the following occurs:
  - a) Buyer breaches, repudiates, or threatens to breach any term in the contract evidenced by this document or in any other agreement between Buyer and Seller, including but not limited to a failure to pay all sums when due;
  - b) Insolvency of Buyer or filing a voluntary or involuntary petition in bankruptcy with respect to Buyer;
  - c) Appointment of a receiver or trustee for Buyer;
  - d) Buyer's credit becomes impaired; or
  - e) Execution of an assignment for the benefit of creditors of Buyer.
- 21) **Seller's Remedies.** In the event of Buyer's default, Seller may exercise any remedies available under applicable law, including but not limited to the following remedies:
  - a) Seller may require payment in advance;
  - b) Seller may suspend performance or cancel all or any part of the balance of any contract with the Buyer; and
  - c) Buyer shall reimburse Seller for all damages suffered due to Buyer's breach, including but not limited to incidental, consequential, and other damages, as well as lost profits, reasonable attorney fees, and court costs.
- 22) The remedies in this document shall be cumulative and in addition to any other remedies allowed to Seller under applicable law. No waiver by Seller of any breach or remedy shall be a waiver of any other breach or remedy.
- 23) **General.**
  - a) **Compliance with Laws.** Buyer warrants that it is and will remain in compliance with all federal, state and local laws, regulations and ordinances relating to Buyer's ability to perform its obligations under this purchase order.
  - b) **Setoff.** Seller has the right to deductions or setoffs of any sums due to Seller from Buyer (whether or not arising from this agreement) against any sums due to Buyer from Seller (whether or not arising from this agreement).
  - c) **Assignment.** Buyer shall not assign its rights or delegate its duties under this document without Seller's prior written consent. Seller may assign to any third party its rights and obligations with respect to Buyer.
  - d) **Entire Agreement and Amendment.** This document contains all of the terms of the agreement between Seller and Buyer with regard to its subject matter and supercedes all prior oral or written representations, agreements, and other communications between Seller and Buyer. The contract evidenced by this document may be amended only by a writing signed by Buyer and an officer of Seller.
  - e) **Severability.** All terms shall be enforced only to the maximum extent permitted by law. If any term is invalid or unenforceable, all other terms shall remain in effect.
  - f) **State Law.** The sale of goods and services in accordance with this document shall be governed in all respects by the laws of the State of Michigan.
  - g) **Jurisdiction and Venue.** Seller and Buyer agree that any action arising out of the sale of goods or services in accordance with this document will be brought, heard and decided in Ottawa County, Michigan. Buyer submits to personal jurisdiction in Michigan.