

McInnes Rolled Rings

d/b/a of TSK Partners, Inc

Standard terms and conditions of Sale

1. DEFINITIONS. 1.1 The following defined terms are used in these Terms and Conditions of Sale: (a) The collective terms and conditions described in (a) and (b) of Section 2.1 are referred to as the "Agreement." (b) The products that are the subject of a sale from McInnes Rolled Rings to Buyer are referred to as the "Products." (c) The TSK Partners, Inc d/b/a McInnes Rolled Rings making the sale of Products to Buyer is referred to as "McInnes." (f) The purchaser of the Products is referred to as the "Buyer."

2. AGREEMENT. 2.1 The terms and conditions that apply to and govern the sale of Products by McInnes to Buyer include and are limited exclusively to those contained in or expressly incorporated by (a) as applicable, McInnes's quotation, acknowledgement or invoice, or a separate written sales, pricing, or similar agreement signed by an authorized representative of McInnes, and (b) these Terms and Conditions of Sale, whether or not they are specifically referenced in or incorporated by McInnes's quotation, acknowledgement or invoice or the separate written and signed sales, pricing, or similar agreement.

2.2 McInnes does not accept any terms which are different from, conflict with, modify and/or add to these Terms and Conditions, which are contained in (a) any purchase order or other documents issued by Buyer (c) Buyer's quality policy and other supplier policies, and (d) Buyer's web site or supplier e-commerce site, even though it may be necessary for McInnes to click an "accept," "agree," or similar button on an electronic site as a means of accessing information about current or prospective orders or programs of supply. McInnes's execution of any document issued by the Buyer shall constitute only an acknowledgement of receipt thereof, and shall not be construed as an acceptance of any of the terms therein. Unless Buyer shall have set forth each specific objection to these Terms and Conditions in a separate writing signed and dated by Buyer and delivered to McInnes contemporaneously with Buyer's purchase order or other acceptance document, Buyer shall be deemed to have accepted all of these Terms and Conditions. Buyer's issuance of a purchase order or other document which purports to reject some or all of these Terms and Conditions by virtue of Buyer's standard form language, or otherwise, shall not be sufficient objection.

2.3 No modification of the Agreement or waiver of any of its terms will be binding on McInnes unless the modification or waiver is clearly expressed in writing and signed by an authorized representative of McInnes. The preceding sentence excludes from the Agreement, among other things, purported modifications and waivers by oral agreement, course of performance, and usage of trade.

2.4 All orders, including new orders in the form of increases to existing orders, are subject to McInnes's acceptance. McInnes will not be obligated to fulfill any request for Products that Buyer is not also obligated to purchase. Buyer will be deemed to have accepted the agreement by (a) assenting to the Agreement in writing, (b) placing an order for Products, (c) accepting delivery or performance of all or any portion of the Products, (d) paying for all or any portion of the Products, or (e) taking any other action evidencing Buyer's acceptance of the benefits of the Agreement.

2.5 If McInnes's work on an order requires material from Buyer or a third party selected by Buyer, and McInnes does not timely receive material that strictly conforms to McInnes's requirements, including with respect to chemical composition, physical properties and dimensions, McInnes may delay performance of or cancel the order without liability, and Buyer shall compensate Seller for all costs incurred and time expended working on non-conforming material.

2.6 If Buyer is purchasing the Products for a government contract or sub-contract, Buyer shall promptly notify McInnes of that fact and of any contract clauses that Buyer is obligated by law to include in its contracts for acquiring the Products. No government contract clause will be included in the Agreement unless agreed to in a writing signed by an authorized representative of McInnes.

3. PRICES AND TAXES. 3.1 No price quotation will remain effective for more than 30 days, unless the quotation expressly provides otherwise.

3.2 Subject to these Terms and Conditions, Buyer agrees to buy, and McInnes agrees to sell, the Products, for the purchase price specified in the quotation, acknowledgement or invoice, or a separate written sale, pricing, or similar agreement signed by an authorized representative of McInnes.

3.3 The price does not include taxes, duties, fees, assessments or other charges imposed by any governmental authority on the manufacture, sale, purchase, transportation, export or import of the Products, all of which will be the responsibility of and paid by Buyer or, if required to be paid by McInnes, then reimbursed to McInnes by Buyer.

3.4 The price is based on McInnes's standard packaging for domestic U.S. shipments. Additional charges will apply for packaging for export shipments and for other special shipping or packaging requirements requested by Buyer.

3.5 Prices are based on and assume Buyer's compliance with all of the terms and conditions of the Agreement, including, if applicable, a promise by Buyer to purchase a particular mix of Products, a certain quantity of Products, or a certain percentage of Buyer's requirements for the Products.

4. PAYMENT. 4.1 Payments are due net 30 days from the date of the invoice and must be made in US dollars or the quoted currency. Buyer shall pay McInnes's invoices without discount, set off or reduction for any reason, including asserted warranty claims or other claims of non-performance by McInnes.

4.2 McInnes reserves the right to perform a review of Buyer's creditworthiness at any time. Notwithstanding any other provision of these terms and conditions, McInnes shall not be obligated to provide or produce or sell the Product if Buyer's creditworthiness is unsatisfactory to McInnes, in McInnes's sole discretion. In such case, McInnes may cancel the order at any time without any liability to Buyer. McInnes may, in addition, take one or more of the following actions: (a) cancel any of the Buyer's outstanding orders, (b) withhold further deliveries of Products, and (c) declare all unpaid amounts for Products previously delivered immediately due and payable, unless and until the Buyer shall have agreed to and performed such terms of payment and such security therefore as is satisfactory to McInnes, in McInnes's sole discretion. Buyer shall reimburse McInnes for all costs of collection, including reasonable attorneys' fees, incurred as a result of Buyer's failure to make payments when due. The foregoing remedies are in addition to McInnes's other rights and remedies under the Agreement and under applicable law, including Section 2-609 of the Uniform Commercial Code.

5. SHIPMENT AND DELIVERY. 5.1 Indicated or "promised" delivery dates and shipment dates are estimates and assume, among other things, timely receipt from Buyer and others of any necessary information, conforming raw materials, and of any required advance payment. McInnes's failure to meet an indicated delivery date will not constitute a breach of the Agreement. McInnes will be excused from any performance obligation to the extent McInnes's performance is prevented or delayed by a cause or event beyond its reasonable control, including an act of God, action of governmental authorities (valid or invalid), fire, flood, windstorm, explosion, riot, natural disaster, war, sabotage, labor problems (including lockouts, strikes, slowdowns), failure of or inability to obtain power, material, labor, equipment or transportation, and a court or administrative injunction or order. If McInnes's production or delivery is delayed, McInnes may allocate production and delivery among its customers in a manner it deems reasonable.

5.2 The delivery term for Products is FOB the McInnes facility unless otherwise specified in writing in the quotation or the acknowledgement. Risk of loss to Products and other items shipped by McInnes will transfer to Buyer upon the delivery by McInnes to the possession of the transportation carrier. Title to the Products shall pass from McInnes to Buyer at the time of shipment.

5.3 Unless otherwise provided in the Agreement, McInnes may select the shipping method and carrier. McInnes will not be liable for, and Buyer shall not assert against McInnes or deduct from amounts owing to McInnes, claims for delay, breakage, loss or damage occurring after McInnes has satisfied its delivery obligations. Buyer shall instead make all claims for any such loss or damage directly to the transportation carrier or insurer, as appropriate.

5.4 Buyer is not entitled to reject or refuse to accept Products unless they do not conform to the limited warranty provided in Section 7.1. Buyer shall, within 365 days following receipt of Products inspect the Products and notify McInnes in writing of any nonconformity with the limited warranty, failing which Buyer will be deemed to have waived any nonconformity that was or could have been identified from such an inspection.

6. LIMITED WARRANTY. 6.1 McInnes warrants that, on the shipment date, for the benefit of the Buyer only, the Products (a) will conform to any specifications explicitly identified on the face of McInnes's quotation or acknowledgement or set forth explicitly in another document that is a part of the Agreement, and (b) will be free of defects in material and workmanship that would be discovered by following McInnes's standards of manufacture and inspection at the time of manufacture. THE FOREGOING LIMITED WARRANTY IS IN LIEU OF, AND MCINNES DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING WARRANTIES OF DESIGN, PERFORMANCE OR PRODUCT LIFE, WARRANTIES OF COMPLIANCE WITH BUYER'S QUALITY MANUALS, QUALITY POLICIES, INSPECTION PROTOCOLS AND OTHER POLICIES AND REQUIREMENTS, AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6.2 The limited warranty will be void upon any action inconsistent with the proper use and handling of the Products, including improper handling, transportation, modification or repair, accident, abuse or improper use

7. EXCLUSIVE REMEDY; LIMITATION OF LIABILITY. 7.1 If a Product does not meet the limited warranty described in Section 6.1, Buyer's sole and exclusive remedy will be, at McInnes's choice, repair or replacement of the nonconforming Product (FOB the McInnes facility) or a credit of a fair amount not to exceed the price paid for the nonconforming Product.

7.2 The remedy described in Section 7.1 is Buyer's sole and exclusive remedy for a breach of the limited warranty and for any other claim relating to the Products, regardless of the basis of Buyer's claim, whether it is in contract, tort, express or implied warranty, negligence, strict liability or otherwise, and regardless whether any damages were caused by McInnes's negligence or by any defect in the Products. Without limiting the generality of the preceding sentence, McInnes will not be liable for, and Buyer shall not assert, any of the following, whether or not due to McInnes's negligence or due to a defect in the Products, and regardless whether the basis is product warranty, delayed or incomplete delivery, negligence or any other cause: (a) consequential, incidental, indirect, special and punitive damages; (b) the cost of removing and reinstalling Products, sending Products to McInnes for warranty inspection, and any other work performed on the Products; (c) damage to or the cost of making adjustments or repairs to any mechanism, equipment or machinery in which the Products were installed; (d) loss of profits or revenue, loss of use, line shut-down, cost of capital, and cost of substituted product, facilities or services; and (e) claims of Buyer's customers or other third parties for damages or penalties, whether or not Buyer is legally obligated to pay them. This disclaimer and exclusion will apply even if the exclusive remedy described in Section 7.1 fails its essential purpose.

8. DELAYS AND CANCELLATIONS. 8.1 "An **Order**" includes a purchase order for a specific quantity and a release under a blanket purchase order. When McInnes and Buyer operate on a rolling forecast basis, an **Order** includes the quantity of Products scheduled for delivery or performance within the firm order period agreed to between McInnes and Buyer or, if Buyer and McInnes have not agreed to a specific firm order period, then 30 days is deemed to be the firm order period.

8.2 Buyer is not entitled, without McInnes's prior written consent, which may be withheld or conditioned in McInnes's sole discretion, to delay or cancel a delivery of Products for all or any part of an Order. McInnes may treat as a cancellation any proposed delay greater than 60 days. If McInnes consents to the delay or cancellation, Buyer shall pay a charge in an amount determined in McInnes's sole discretion to reflect all applicable delay/cancellation costs plus a reasonable and equitable profit for McInnes. Upon payment of the charge, Buyer will be entitled to all un-disposed raw materials, work in process and finished Products, shipped at Buyer's expense.

8.3 Buyer is not entitled, without McInnes's prior written consent, which may be granted or withheld in McInnes's sole discretion, to make any changes to the design, material specifications, quality requirements, approved raw material suppliers or any other aspect of the Products or their manufacture, performance or delivery after an Order has been accepted. If McInnes consents to the change, McInnes may condition its consent on Buyer's agreement to price adjustments and other compensating payments satisfactory to McInnes. In addition to all other remedies available to it under applicable law, McInnes may refuse to comply with any change to which McInnes has not given its prior written consent and, if the Buyer proceeds with the change, McInnes may treat the change as a cancellation.

9. BUSINESS CONDUCT. Buyer represents that it has not made and promises that it shall not make any payment or gift to an employee or official of a government, political party or political candidate, government-owned or controlled company or public international organization to promote McInnes's products to promote or facilitate the business interests of McInnes.

10. INTELLECTUAL PROPERTY. Nothing in the Agreement is to be construed as a grant or assignment of any license or other right to Buyer of any of McInnes's or its affiliates' intellectual property rights, whether patent, trademark, trade secret, copyright or otherwise. All improvements and developments related to the Products arising out of the efforts of McInnes and Buyer will be owned exclusively by McInnes, and Buyer shall reasonably cooperate with McInnes in confirming that result. Buyer shall indemnify and defend McInnes from all

loss and liability resulting from or related to claims that design elements for the Products that were provided by Buyer infringe the intellectual property rights of third parties.

11. CONFIDENTIAL INFORMATION. With respect to confidential information concerning the Products, and the transactions subject to the Agreement that Buyer comes to know either through disclosure from McInnes or otherwise, Buyer (a) shall not disclose the information to any third party, (b) shall not use the information for any purpose other than evaluation and use of the Products, and (c) acquires no ownership, license or other interest in the information.

12. INTERNATIONAL TRADE. 12.1 McInnes makes no representation with respect to the country of origin, qualification for duty preference or similar program, specific Harmonized Tariff Schedule Number, export jurisdiction, U.S. Munitions List category, Export Control Classification Number, or export authority of any Product except as agreed or certified in a separate written instrument signed by an authorized representative of McInnes.

12.2 McInnes retains all of its duty drawback rights, and any attempt by Buyer to transfer any such rights will be void.

12.3 (a) Unless McInnes provides its prior written consent after having been given an opportunity to review and comment on all associated documentation, Buyer shall not, itself or by any freight forwarder, customs broker or other agent or third party under Buyer's direction or control, designate McInnes as the U.S. Principal Party in Interest (as defined in the U.S. Foreign Trade Regulations, 15 CFR Part 30) or file the Electronic Export Information with U.S. Bureau of Census ("EEI"). If Buyer files an EEI without the prior written consent required by the preceding sentence, then: (i) the EEI will be considered to have been made without McInnes's authority or permission, and any false statements to the government will be considered to have been made by Buyer or its agent, as applicable, (ii) any affected transaction will be considered to be a routed export transaction, such that Buyer or its agent will be considered the U.S. Principal Party in Interest and exporter of record (as defined by the Foreign Trade Regulations and the Export Administration Regulations) for those transactions,

(b) Buyer represents that it is not, and to the best of Buyer's knowledge, its customers, its customers' end-users and its agents are not, on the U.S. Government's Denied Parties List, the Unverified List, the Entity List, the Specially Designated Nationals List, or the Debarred List, and are not otherwise subject to any U.S. or other government sanction or restriction that would prohibit the sale or export by McInnes of the Products or technology that are the subject of the Agreement. When McInnes so requests, Buyer shall provide all end-user and end-use information of which it is aware or which it could obtain with commercially reasonable efforts.

(c) Buyer shall comply strictly with all applicable U.S. export laws and regulations, including the Arms Export Control Act and the International Traffic in Arms Regulations, the Export Administration Regulations, and the various economic sanctions laws, regulations and executive orders administered by the Office of Foreign Asset Controls. Buyer shall assist McInnes in complying and documenting compliance with those laws, regulations and executive orders.

12.4 Regardless of any statements on Buyer's purchase order or other documents to the contrary, McInnes shall not be the importer of record (as that term is defined by U.S. law at 19 USC 1484, or equivalent provision of non-U.S. law) with respect to a transaction governed by the Agreement, unless otherwise expressly stated in a document signed by an authorized representative of McInnes. Buyer shall assume all of the responsibilities of the exporter of record for any such transactions; and McInnes will have no responsibility as the exporter of record.

13. MISCELLANEOUS. 13.1 The words "include" and "including" are to be construed as if they were followed by "without limitation," unless the accompanying text or the context clearly requires otherwise.

13.2 No party may assign its rights or obligations under the Agreement without the other party's prior written consent, and any attempt to do so will be ineffective, except that McInnes may, without Buyer's consent, assign and delegate its rights and obligations under the Agreement to one or more affiliates or to a third party in connection with a divestiture of the business with which the Agreement is associated.

13.3 The laws of the Commonwealth of Pennsylvania, U.S.A., govern all matters arising out of the Agreement, excluding choice of laws principles. Both parties consent to the jurisdiction of the state and federal courts having authority over the territory of Erie County, Pennsylvania, for the resolution of any dispute arising under the Agreement or the purchase or use of Products; and that consent is to the exclusive jurisdiction of those courts unless Buyer is from a jurisdiction that does not recognize for enforcement judgments issued by those courts. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Agreement.

13.4 McInnes' rights and remedies set forth in the Agreement are in addition to all legal and equitable rights and remedies available to McInnes.