

RENOLD INC. ("RENOLD") TERMS AND CONDITIONS OF PURCHASE

1. **Acceptance; Terms and Conditions.** These terms and conditions of purchase ("Conditions") along with the terms in the Purchase Order (together with the Conditions hereafter called the "Order") submitted by Renold Inc. ("Purchaser") constitute the offer by Purchaser to purchase Products and/or Services from Seller and which when accepted by Seller shall constitute a binding contract between the parties. If this Order is issued pursuant to Seller's response to a Request for Quotation ("RFQ") or similar request by Purchaser, then this Order is subject to and deemed to incorporate all clauses, terms, and conditions included in the RFQ or such similar request by Purchaser. Acceptance of the Order is expressly limited to and made conditional upon the Seller's acceptance of the Order, and any terms and conditions proposed by the Seller in Seller's quotation, invitation, acceptance, sales order, acknowledgement, invoice, transmittal or any other document which are different from, conflict with or add to the Order shall be deemed to materially alter the Order and are hereby objected to and rejected by Purchaser. Acceptance of this Order shall occur upon the happening of any of the following: (i) receipt by Purchaser of the acknowledgment copy of the Order signed by Seller without alteration thereto, (ii) receipt by Purchaser of notification from Seller that Seller has commenced performance hereunder or that Seller intends to deliver or ship the Products to Purchaser or perform the Services or (iii) delivery of the Products or performance of the Services.
2. **Prices.** The price for the Products shall be that stated in the Order. If no price is set forth, the price shall not be higher than the lower of that last quoted to Purchaser or previously charged by Seller to Purchaser for comparable quantities. All prices, unless otherwise specifically provided, include all applicable federal, state, and local taxes in effect, any excise or value added taxes, packaging, shipping, labeling, custom duties, storage, and insurance. No additional charges of any type shall be added without Purchaser's prior express written consent. In the event that there are a repeal of any tax or reduction of taxes, prices shall be adjusted accordingly. Prices shall remain firm for the delivery period(s) shown.
3. **Payment.** Payment terms are as stated in the Order. Unless agreed to by Purchaser, no invoice shall be issued prior to shipment of the Products. Valid invoices shall be payable not earlier than sixty (60) calendar days after receipt and acceptance by Purchaser of the Products unless a later payment date is provided in the Order or invoice. Payment shall not be construed as a waiver of any claims Purchaser may have for non-conforming Products or other nonperformance or breach of Seller.
4. **Progress Reports; In-Production Inspection.** Seller shall provide any required progress reports monthly and which shall include in each instance a detailed statement of the work commenced, in-process, and completed at the end of the month, and a statement of the estimated time remaining for the completion of the Order. Purchaser shall have the right to make such examinations and tests as it shall deem necessary to determine if the Products are being produced in a good and workmanlike manner and in accordance with specifications.
5. **Changes.** No change shall be undertaken by Seller except upon written authorization of Purchaser. Purchaser may at any time by written notice, make changes to the specifications, designs, drawings, packaging, methods of shipment, quantities, place of delivery or delivery schedules. If any such change causes an increase or decrease in the cost of or the time required for Seller's performance, an equitable adjustment shall be made in the price or delivery schedule, or both, provided a written request for such an adjustment shall be made to Purchaser within ten (10) business days from the date of Seller's receipt of the written notice making the change, and such written request is agreed to by Purchaser in writing, and the Order shall be modified accordingly by a written change order. Nothing contained herein shall relieve the Seller from proceeding without delay to perform the Order, as changed.
6. **Shipment; Delivery.** (a) Shipments must equal the exact amounts ordered, and no partial shipments, changes, or substitutions in specifications may be made without the prior written consent or request of Purchaser. On the date of shipment, Seller shall forward a shipping memo (in full) with bill of lading or express receipt, and for each separate shipment shall forward invoices in duplicate showing the Order number.
- (b) Purchaser production schedules are based upon the timely delivery of the Products. Time is, therefore, of the essence, and in the event that deliveries are not made at the time agreed upon, Purchaser reserves the right to cancel, purchase elsewhere, and hold Seller liable for any damages resulting therefrom. Acceptance by Purchaser of late shipments or partial shipments shall not constitute a waiver of this provision. If no date for delivery is specified, Seller shall at the time of acceptance state the date upon which shipment shall be made. If, in order to comply with Purchaser's required delivery date, it becomes necessary for Seller to ship by a more expensive way than specified in this Order, any increased transportation costs resulting therefrom shall be paid for by Seller. Delivery shall not be considered complete until the Products have been actually received and accepted by Purchaser.
- (c) Seller warrants good title to the Products, free and clear of any liens, security interests and encumbrances. Seller is responsible for proper labeling, packaging and shipping of the Products at its expense. Notwithstanding the method of shipment, Seller shall deliver all Products to Purchaser at Purchaser's place of business or such other location specified by Purchaser at Seller's own risk. Seller shall bear the risk of loss, destruction, or damage until the Products are so delivered.
7. **Inspection and Rejection.** Purchaser shall have the right to inspect the Products delivered prior to acceptance, notwithstanding any previous inspection whether at Seller's place of business or otherwise. Payment for the Products delivered shall not constitute acceptance. Purchaser may reject or revoke its acceptance of any Products that in Purchaser's judgment are defective or nonconforming. Products rejected may be returned to Seller at its expense in addition to Purchaser's right to any and all other rights and remedies available to it. In the event that Purchaser receives Products whose defects or nonconformity are not apparent on examination, Purchaser reserves the right to require replacement as well as payment of any losses or damages incurred by it. Purchaser's inspection, failure to inspect or failure to discover any defect or nonconformity shall not constitute a waiver of any of Purchaser's rights or remedies whatsoever.
8. **Proprietary Information; Confidentiality.** Seller shall consider all information (including, without limitation, models, drawings, sketches, specifications, plans or otherwise), materials, and equipment furnished by Purchaser and/or prepared by Seller for Purchaser to be confidential and shall not disclose any such information to any other person, or use such information itself for any purpose other than performing this contract, unless Seller obtains written permission from Purchaser to do so. All ownership and intellectual property rights with respect to the foregoing shall be and remain exclusively in Purchaser. Unless otherwise agreed in writing, no commercial, financial, or technical information disclosed in any manner or at any time by Seller to Purchaser shall be deemed confidential.
9. **Insurance.** Should Seller's obligations require or contemplate performance of services by Seller's employees, or persons under contract to Seller, to be done on Purchaser's property, or property of Purchaser's customers, Seller agrees that all such work shall be done as an independent contractor and that the persons doing such work shall not be considered employees of Purchaser. Seller shall maintain all necessary insurance coverages, including public liability and workers' compensation insurance. Seller shall indemnify and save Purchaser harmless from any and all claims or liabilities arising out of such work.
10. **Termination for Convenience.** Purchaser reserves the right to terminate the whole or any part of this Order at any time for any reason of its own convenience by giving written notice to Seller. In the event of such termination, Seller shall immediately stop its performance and cancel all of its cancellable commitments pertaining to the terminated work. In the event of termination for the convenience of Purchaser, Purchaser agrees to pay a termination fee only with respect to those Products which, because they have been specially manufactured for Purchaser, cannot be returned to Seller's stock. Such termination fee shall be equal to the price payable for Products already delivered to and accepted by Purchaser, together with reasonable direct costs attributable to work-in-process, but in no event exceeding the price specified in this Order. Seller shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Seller which Seller could reasonably have avoided. Any items for which Purchaser has paid shall be delivered to Purchaser if so requested by it. In no event shall Purchaser be liable to Seller for loss of any anticipated profits or for any indirect or overhead expenses of Seller.
11. **Warranty.** Seller represents and warrants the Products (i) are designed and manufactured in a professional and workmanlike manner, (ii) are merchantable and fit for the particular purpose intended by Purchaser, (iii) are new and free from defects in design, materials and workmanship, (iv) strictly comply with specifications and requirements agreed upon with Purchaser and, in the absence of such agreement, with industry standards, (v) comply with all applicable laws, regulations, orders, acts and statutory requirements relating to the manufacture and sale of such Products, (vi) conform to any statements made on the containers, labels, advertisements or written materials for the Products, and (vii) are free of any claim of any nature by any third person. The inspection, acceptance or use of Products by Purchaser shall not waive or adversely affect any claim or cause of action arising out of breach of any of the foregoing warranties or any other warranty expressed by Seller or implied in fact or in law. Without prejudice to any other right or remedy which the Purchaser may have, for any breach of the foregoing warranties Seller shall at the Purchaser's direction, do any of the following (i) take all necessary action, at Seller's full cost and expense, to correct such breach in the most expeditious manner possible; (ii) refund to the Purchaser the purchase price; (iii) furnish replacement Product, as necessary, at the original shipping point; or (iv) in the case of services, reperform the services. All costs incurred in the correction of breach (including premium time, de-installation, installation, re-commissioning and freight) shall be borne by Seller. Should Seller fail to expeditiously correct defects in or replace nonconforming Products or services, Purchaser, after reasonable notice to Seller, may make such corrections or replace such Products and services and charge Seller for all costs and expenses incurred by Purchaser thereby. The warranties of Seller set forth herein shall inure to the benefit of the Purchaser and its successors, assigns, customers, and other users.
12. **Indemnification.** Seller shall indemnify, defend and hold harmless Purchaser, its directors, officers, employees, agents, affiliates, representatives, and any of the Purchaser's customers buying or using the Products or services specified herein (collectively, the "Indemnified Parties"), from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorneys' fees, costs and expenses of any nature, whether arising before or after completion and installation of the Products and/or services, for which the Indemnified Parties might become liable as a result of any act, omission, fault, or negligence, of Seller or of anyone acting under Seller's direction or control or on its behalf, in connection with or incident to Seller's performance hereof, including, without limitation, (i) any third party product liability claims for death, personal injury, property damage and any other losses caused by defective Products, (ii) any third party claims arising out of any misrepresentation, breach or default by Seller with respect to ownership, possession, use, operation, condition, sale, purchase, lease, maintenance, selection, manufacture, or delivery of any item or items of Products or services (including, without limitation, latent and other defects, whether or not discoverable by Purchaser), (iii) any breach or failure of Seller to comply with this Order, and (iv) any other third party claims arising out of Seller's breach of any representation, warranty or obligation set forth herein.
13. **Infringement.** Seller agrees upon receipt of notification to promptly assume full responsibility for defense of any suit or proceeding which may be brought against Purchaser, or its agents or customers, for alleged patent infringement, as well as for any alleged unfair competition resulting from similarity in design, trademark, or appearance of Products, or services furnished hereunder, and Seller further agrees to indemnify Purchaser, and its agents, distributors, and customers, against any and all expenses, losses, royalties, profits, and damages including court costs and attorneys' fees resulting from any such suit or proceeding, including any settlement. Purchaser may be represented by and actively participate through its own counsel in any such suit or proceeding if it so desires, and the costs of such representation shall be paid by Seller. In the event that Seller is determined by a court of law or equity to have committed such an infringement, Seller shall be obliged to supply Purchaser with non-infringing substitute Products, or to alter supplied Products as to make them non-infringing, or Seller will be deemed to have breached its contract with Purchaser, incurring liability for damages, including the full amount of consequential and incidental damages allowed by law. The foregoing shall not apply to any infringement resulting from Seller's use of a patented invention required to comply with written specification of Purchaser if such patent invention is not normally used or sold by Seller.
14. **Default.** If Seller repudiates or breaches any of the terms of this Order, fails to provide the Products or Services as specified by Purchaser, or Purchaser rightfully rejects the Products or justifiably revokes acceptance thereof, then Purchaser may cancel all or part of the Order and, whether or not it has done so, Purchaser may, in addition to recovering so much of the price as has been paid, "cover" and have damages as to all of the Products affected whether or not they have been identified to the Order. Purchaser may "cover" by making, in good faith and without unreasonable delay, any reasonable purchase of or agreement to purchase the Products in substitution for those due from Seller. Purchaser shall recover from Seller as damages the difference between the cost of "cover" and the contract price together with any incidental or consequential damages. The foregoing shall be in addition to any other rights available to Purchaser under the Uniform Commercial Code.
15. **LIMITATION ON PURCHASER'S LIABILITY.** IN NO EVENT SHALL PURCHASER BE LIABLE FOR ANTICIPATED PROFITS OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. PURCHASER'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THIS ORDER OR FROM THE PERFORMANCE OR BREACH THEREOF SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE PRODUCTS OR UNIT THEREOF, WHICH GIVES RISE TO THE CLAIM. PURCHASER SHALL NOT BE LIABLE FOR PENALTIES OF ANY DESCRIPTION. ANY ACTION RESULTING FROM ANY BREACH ON THE PART OF PURCHASER AS TO THE PRODUCTS DELIVERED HEREUNDER MUST BE COMMENCED WITHIN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.
16. **Bankruptcy of Seller.** Should (i) Seller become insolvent or unable to meet its obligations as they become due, (ii) a voluntary involuntary petition of bankruptcy be filed by or against Seller, (iii) an assignment for the benefit of the Seller's creditors or a receiver is appointed, with or without Seller's consent, or (iv) Purchaser deems itself insecure, at any time prior to the completion of Seller's terms and conditions to be performed under this Order, the Order shall be deemed breached by Seller, and Purchaser shall have the right to terminate this Order by serving written notice of termination. Such termination shall not affect any claim for damages available to Purchaser, nor shall Purchaser incur any liability to Seller for pursuing its rights under this paragraph.
17. **Export Control.** Seller will comply with all applicable export, import, and re-export control and licensing laws of the United States and any other applicable country. Seller will provide Purchaser with all data with respect to the Products and their components, and any changes to such data, as the Purchaser may reasonably request for such purposes. If Seller fails to meet its obligations in this paragraph, Seller shall defend, indemnify and hold Purchaser harmless from and against any fines, penalties and/or damages resulting there from. In addition, Purchaser may, at its discretion, terminate this order without any further liability or obligation.
18. **Conflict Minerals.** Seller represents, warrants, covenants and certifies that (i) it is in full compliance with all applicable conflict minerals laws including, without limitation, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as it may be amended from time to time and any regulations, rules, releases, decisions or orders relating thereto (collectively, the "Act"), and (ii) none of the Products furnished hereunder shall contain any conflict mineral (including, but not limited to, tin, tantalum, gold and tungsten) originating in the Democratic Republic of the Congo or an adjoining country (the "Conflict Region") unless (x) such conflict mineral is from recycled or scrap sources or (y) such conflict mineral was outside the supply chain prior to January 31, 2013. Upon Purchaser's request, Seller shall (1) certify in writing as to Seller's compliance with this paragraph, (2) provide such information regarding the source and chain of custody of all conflict minerals that may be contained in the Products delivered, (3) cooperate with Purchaser's efforts to comply with the Act, and (4) cause its subcontractors and sub-suppliers of every tier to provide Seller and Purchaser with the information and cooperation that Seller is required to provide under the foregoing clauses. Should Seller learn or have reason to know of or suspect any development that makes it likely that any Products furnished hereunder contain any conflict mineral originating in the Conflict Region in violation of the foregoing, or that in any other way makes inaccurate, incomplete or misleading Seller's representations, warranties and certifications, then Seller shall immediately advise Purchaser in writing of such knowledge or suspicion and all related information known to Seller. Seller acknowledges that Purchaser will rely on the accuracy and completeness of information that the Seller furnishes to Purchaser as the basis for Purchaser's compliance with the Act.
19. **Code Of Conduct: Anti-Bribery; Human Trafficking; GDPR Laws.** Seller agrees to comply with (a) Purchaser's Code of Conduct in effect from time to time and which is incorporated herein by reference, is available upon request, and applies hereto with the same force and effect as if the text thereof is fully set forth herein; (b) all applicable laws, regulations, rules, and sanctions (i) relating to anti-bribery and anti-corruption, or (ii) designed to prevent child labor and human trafficking; (c) all applicable requirements of the European Union's General Data Privacy Regulation (Regulation (EU) 2016/679; "GDPR"). Seller shall not engage in any activity, practice, or conduct that is prohibited by, or would constitute an offense under, any of the foregoing and shall indemnify and hold Purchaser harmless from and against all claims, actions, damages, fines or costs arising from any violation of any of the foregoing.
20. **Compliance With Laws.** (a) Seller warrants that the Products will have been produced in compliance with, and Seller agrees to be bound by, all applicable federal, state and local laws, orders, rules and regulations including, without limitation, the Fair Labor Standards Act, as amended. (b) If this Order is a non-exempt government subcontract Executive Order 11246, the Equal Opportunity Clause as defined in Rules and Regulations of the Department of Labor, Office of Federal Contract Compliance (41 CFR Part 60-1) and other applicable rules and regulations are hereby incorporated by reference.
21. **Governing Law and Jurisdiction.** This Order and any contract by the parties shall be governed by and construed under the laws of the State of New York, U.S.A., without regard to conflicts-of-laws principles. The federal and state courts of the County of Erie, State of New York, shall have exclusive jurisdiction to adjudicate any dispute arising out of this Order or the contract between the parties. The parties hereto each consent to: (i) the personal jurisdiction of the courts in the County of Erie, State of New York, (ii) service of process being effected upon it by registered mail sent to the address set forth in this contract, and (iii) the waiver of any objection to the laying of the venue of any such suit, action or proceeding in any such court and any right it may have to assert the defense of forum non-conveniens. The parties exclude application of the United Nations Convention on Contracts for the International Sale of Products, or any local legislation implementing such Convention, if otherwise applicable.
22. **Additional Terms and Conditions.**
- (a) **Notices.** Any notice given pursuant hereto shall be deemed properly given if in writing and (i) delivered by hand (including commercial delivery service), (ii) sent by telecommunication (including facsimile and electronic mail), or (iii) sent by mail to an address previously provided by each party to the other. Notice served by hand or by telecommunication shall be deemed to have been given one (1) business day following the date on which such notice is serviced, provided, if notice is by telecommunication, sender has proof of receipt by the other Party. Notice served by mail shall be deemed to have been given five (5) business days following the date on which such notice is postmarked.
- (b) **Assignment.** Seller may not assign or subcontract this Order, in whole or part, without the prior written consent of Purchaser, and any attempted assignment, delegation or subcontracting by Seller shall be void and ineffective for all purposes. Purchaser reserves the right to transfer or assign, in whole or in part and without recourse by Seller, its rights, liabilities and obligations herein arising to a third party without prior written notice, and such assignment shall operate to release Purchaser from its obligations hereunder.
- (c) **Set-Off.** Any amount owed to Seller by Purchaser or any of its affiliates shall be subject to deduction for any setoff, counter-claim, or indemnification right arising out of this or any other Order to Seller from Purchaser or any of its affiliates.
- (d) **Waiver.** Waiver by Purchaser of any breach of any of the terms and conditions of the Order set forth herein shall not be construed as a waiver of any other breach, and the failure of Purchaser to exercise any right arising from any breach or default of Seller hereunder shall not be deemed to be a waiver of such right which may be exercised at any subsequent time.
- (e) **Severability.** In case any provision hereof shall be declared invalid, illegal or unenforceable, in whole or in part, the validity, legality and enforceability of the remaining provisions herein shall not in any way be affected or impaired.
- (f) **Survival of Certain Terms.** Any provisions contained herein which by their nature would continue beyond the expiration, cancellation or termination of this contract will survive such expiration, cancellation or termination.
- (g) **Entire Agreement.** Seller acknowledges that it has read this Order, understands it, and agrees to be bound by its terms, and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings and all other agreements, oral and written, between the parties relating to the subject matter of this contract. The terms and conditions contained herein may not be added to, modified, superseded or otherwise altered except by a writing signed by Purchaser.