

## TERMS AND CONDITIONS

1. The terms and conditions set forth below, together with those set forth or referred to on the face of the document constitute the final expression and a complete and exclusive statement of the agreement between Buyer and Seller with respect to the products hereunder. Seller's acceptance of any order or offer by Buyer is expressly conditioned upon Buyer's assent to these TERMS AND CONDITIONS. These TERMS AND CONDITIONS supersede additional, different or conflicting terms and conditions in any printed forms of Buyer, or conflicting terms implied from course of dealing and trade usage, and integrate and replace all prior representations of Seller. These TERMS AND CONDITIONS may not be subsequently modified, varied or waived except by an agreement in writing signed by an officer of Seller. No assignment by Buyer shall be binding upon Seller without Seller's written consent.
2. These TERMS AND CONDITIONS together with those set forth or referred to on the face of this document represent the agreement between Seller and Buyer and any proposal by Buyer for any additional or different terms and conditions, whether in a purchase order or any other form in connection with this order are hereby objected to and rejected.
3. Any shipment prior to acceptance by Buyer of the provisions of this document is not an acceptance by Seller of any other terms and conditions but is an accommodation by Seller and subject exclusively to these term and conditions and is without prejudice to Seller.
4. Buyer's assent to these TERMS AND CONDITIONS shall be conclusively presumed from Buyer's receipt of Seller's acknowledgement or receipt of any products which may be furnished by Seller.
5. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, CONTINGENT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF SELLER'S DEFAULT OR DELAY IN FILLING THE ORDER OR FROM ANY OTHER BREACH OF CONTRACT, OBLIGATION, OR DUTY OWING TO BUYER.
6. Seller's products are components used in larger assemblies and risks of application and use are unknown to and/or uncontrollable by Seller and not assumed by Seller. Buyer agrees that Seller shall not be responsible for failures, problems or occurrences of any kind or suffer loss because of them. Buyer (and purchasers from Buyer) expressly assume all known and unknown risks of use of the products and of inability to use the products. It is understood and warranted by Buyer that Buyer and purchasers from Buyer know how to properly store, install, assemble, use, maintain and handle Seller's products and Buyer is responsible for the selection of the design for its purpose. All new designs or applications of Seller's products are to be deemed experimental until Buyer has tested and approved them or successfully used them and Buyer shall assume all responsibility and liability as to said new designs or applications. Buyer shall notify those purchasing from it of the contents of these TERMS AND CONDITIONS.
7. If there is any warranty of Seller, other than as set forth hereinafter, which is deemed to be excluded by the terms hereof, it shall be limited in duration to one (1) year from the date of shipment and shall be subject to the limitation or remedy and damages herein. Seller shall be subject to no obligation of indemnification or contribution express or implied or otherwise nor shall any be based on indemnity provisions in printed forms or the like of Buyer, all such provisions being expressly rejected. All claims of indemnification or contribution against Seller are waived, released and discharged by Buyer. If goods are sold hereunder were purchased by Seller from another supplier Seller's warranty, if any, shall be limited to that warranty received by Seller from its supplier.
8. Action on any claim against Seller must be commenced during the period of one (1) year after the date herein of receipt of products by Buyer.
9. SELLER MAKES NO WARRANTY OF ANY KIND EITHER EXPRESS OR IMPLIED AND MAKES NO WARRANTY OF MERCHANTABILITY OF THE GOODS OR OF THEIR FITNESS FOR ANY PURPOSE. NO AGENT OR REPRESENTATIVE OF SELLER IS AUTHORIZED TO CHANGE THIS PROVISION IN ANY MANNER WHATSOEVER.
10. BUYER HEREBY WAIVES ALL REMEDIES, WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, ARISING BY LAW, STATUTE, OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATIONS OR WARRANTIES OF SELLER WITH RESPECT TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESCRIPTION, DESIGN, DURABILITY, RELIABILITY, PERFORMANCE AND CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES) OR

WHETHER OR NOT OCCASIONED BY SELLER'S NEGLIGENCE, STRICT LIABILITY, STATUTORY LIABILITY OR TORT, AND ALL SUCH OTHER REMEDIES, WARRANTIES OR GUARANTEES ARE EXCLUDED AND DISCLAIMED.

11. ALL OBLIGATIONS OF SELLER FOR DAMAGES EXCEEDING PURCHASE PRICE ARE EXCLUDED AND DISCLAIMED INCLUDING WITHOUT LIMITATION (1) THOSE ARISING OUT OF CLAIMS OR LIABILITY BASED ON CONTRACT, TORT, STRICT LIABILITY, STATUTE OR OTHERWISE OR (2) THOSE DEEMED TO BE INDIRECT, SPECIAL, COMPENSATORY, INCIDENTAL, RESULTANT, CONSEQUENTIAL FOR ECONOMIC OR COMMERCIAL LOSSES, FOR COSTS OF INSPECTION REPAIR OR RECALL FOR ATTORNEY FEES OR EXPENSES OR FOR LOST PROFITS, INDEMNIFICATION, CONTINGENT LOSS OR OTHERWISE AND (3) WHETHER OR NOT OCCASIONED BY SELLER'S NEGLIGENCE, TORT, BREACH OF EXPRESS OR IMPLIED WARRANTY, STRICT LIABILITY, LIABILITY UNDER STATUTE OR REGULATION OR OTHERWISE.
12. SELLER TAKES EVERY POSSIBLE PRECAUTION TO MAKE CERTAIN ALL MATERIAL MEETS THE STANDARDS AND SPECIFICATIONS ACCEPTED IN OUR INDUSTRY OR TO THE SPECIFIC SPECIFICATION OF THE BUYER, BUT IN NO CASE SHALL SELLER'S LIABILITY EXTEND BEYOND THE REPAIR OR REPLACEMENT OF A DEFECTIVE SHIPMENT. THE BUYER SHALL NOT REPAIR OR REPLACE THE MATERIAL WITHOUT EXPRESS WRITTEN CONSENT FROM SELLER, ANY ACTION TAKEN BY THE BUYER WITHOUT THE EXPRESS WRITTEN CONSENT FROM SELLER WILL RELEASE THE SELLER FROM ALL FURTHER LIABILITY OF ANY KIND WHATSOEVER. ANY ADDITIONAL OPERATION (S) PERFORMED BY THE BUYER (SUCH AS PLATING, ETC.) WHICH CHANGES THE ORIGINAL CHARACTERISTIC OF THE MATERIAL RELEASES THE SELLER FROM ALL FUTURE LIABILITY WITH NO LIABILITY TO REPAIR OR REPLACE THE MATERIAL, SELLER URGES BUYER TO ORDER THE MATERIAL AS IT IS TO BE USED IN THE END APPLICATION.
13. Orders are not subject to cancellation or deferment without Seller's written consent and then only upon terms protecting Seller against loss, including lost profits.
14. Seller shall not be liable for damages due to default or delay in production or delivery of all or any part of the products ordered or to property of Buyer which result directly or indirectly from labor or work disputes, embargoes, fire, explosion, riots, national emergency, fuel or material shortages, government restrictions or orders, delays of suppliers or carriers, accident to or breakdown of plant machinery or equipment, act of God, commercial impracticality, or any condition or cause beyond the control of Seller.
15. Prices quoted are F.O.B. Seller's plant in Wheeling, IL and are subject to adjustment to Seller's prices in effect at the time of shipment. Changes involving extra work or material not included in the quotation shall be only at Buyer's expense. Terms of payment are as shown and shall be effective from date of invoice.
16. Any taxes or charges which Seller may be required to pay or collect under any existing or future law applicable to the sales of the products hereunder shall be added to the price or in lieu thereof Buyer may provide Seller with a tax exemption certificate or receipts for payment of such taxes acceptable to Seller and taxing authorities. All quoted prices are exclusive of all sales, use, gross income, occupational and similar taxes, which will be either billed or assumed by Purchaser as Seller may elect.
17. Products are sold F.O.B. Seller's plant in Wheeling, IL and Buyer assumes freight cost and liability for all loss or damage once products have left Seller's plant. Seller is to follow instructions of Buyer as to method of shipment if feasible, and, if there are no instructions from Buyer, Seller may ship by any reasonable method. Seller is not required to notify Buyer of shipment or change of carrier.
18. Seller has the right to ship in installments. Installments may be separately invoiced by Seller and shall be paid for when due without regard to subsequent deliveries. Delay in the delivery of an installment shall not relieve Buyer if its obligations to accept the remainder of the order. Any shipment prior to acceptance of this document is an accommodation by Seller and subject to these TERMS AND CONDITIONS.
19. If at any time in Seller's sole opinion, Buyer's credit is impaired, Seller shall have the right to require payment in advance before further shipment. If Buyer shall fail to make such payment in advance or shall fail to make any other payment when due or shall breach any provision of these TERMS AND CONDITIONS, Seller shall have the right to terminate upon notice without prejudice to any other remedies Seller may have.
20. All orders are subject to any overrun or shortage of ten (10%) of the quantity specified and to variations permitted by the quality level and or sampling procedure specified by Buyer or used by Seller. Any overrun or

shortage may be added to or deducted from any shipment under this order or any overrun may be used to create an additional final shipment under this order.

21. China Stainless Steel Screws reserves the right to subcontract manufacture of any part or manufacturing process of any part ordered. China Stainless Steel Screws recognizes that any such subcontracting shall in no way relieve China Stainless Steel Screws of its responsibilities for the part. China Stainless Steel Screws pledges that all parts ordered from China Stainless Steel Screws, whether manufactured on these premises or by any subcontractor, shall be manufactured to the same high standards which our customers have come to expect.
22. All tools, jigs, fixtures, dies, drawings, processes, knowhow, engineering, design and other facilities, rights or property of Seller, used in fabricating products for the Buyer, are Seller's exclusive property whether or not the cost thereof has been paid in any way by Buyer. All tools, dies, jigs, fixtures or other special machinery or equipment of Buyer which remains in Seller's possession more than thirty (30) days after the completion by Seller of Buyer's order shall so remain with Seller at Buyer's risk, and Seller shall have no responsibility to see to their safekeeping.
23. If quality level and sampling procedures are specific by Buyer after quotation, Seller shall have the sole right to adjust the quotation or delivered price to include the additional cost, if any, or terminate the order. Conformance of products to accepted samples or to previously accepted production or practice shall be deemed to be conformance to specifications.
24. Buyer agrees to do a receiving inspection of the products upon receipt. Claims that the products are unsatisfactory shall be made by Buyer within ten (10) days of receipt. Buyer hereby expressly waives provisions of the U.C.C. regarding notification to a seller contrary to this paragraph.
25. Seller has the right to inspect at a reasonable place selected by it, any products claimed by Buyer to be defective for any reason. No products are to be returned without prior written consent of Seller.
26. If products are made to Buyer's design and specification, Buyer shall defend and hold Seller harmless from and against all claims, damages, expenses, liability and losses of any kind arising from manufacture, use or sale thereof including without limitation, claims of infringement of any patent or other rights of third parties.
27. The parties hereby agree that facsimile signature and email confirmations shall be sufficient and binding for any contract or modification thereof.
28. No one is authorized by Seller to bind it to any oral affirmation, assurance, representation, promise or warranty concerning its products or services. Product descriptions are approximate and for identification only. Information, statements, suggestions, or service to Buyer or purchases of Buyer by salesman, engineers or other representatives of Seller or contained in advertising, promotional material, catalogs, brochures and the like are for explanation and/or cooperation or assistance and are not warranties or warranted or a part of the basis of the bargain and Seller shall not be deemed to incur legal liability for them. Cooperation or assistance in connection with insurance matters or product difficulties shall not be claimed or deemed to be waivers or admissions by Seller.
29. This order and any contract resulting therefrom shall be in accordance with the laws of the State of Illinois. Any litigation arising from this order or the contract resulting therefrom shall be brought in the Circuit Court of Cook County, Illinois or in the United States District Court for the Northern District of Illinois, Eastern Division. In the event Buyer has not been qualified to do business in the State of Illinois, Buyer hereby appoints the Secretary of State of Illinois as its true and lawful agent for service of process with any notice from the Secretary of State of Illinois being thereupon mailed to Buyer at the address last communicated to Seller.
30. It is expressly understood that Seller's price is based on the allocation of risk set forth in these TERMS AND CONDITIONS and that Buyer has not bargained for nor is it entitled to damages in excess of the purchasing price. The EXCLUSIVE REMEDY provided hereinafter shall not be deemed to have failed of its essential purpose, even if difficulties are first discovered after the products are in use, so long as Seller is willing and able to repair or replace the products comprising the failure within its normal "lead" time or to refund the purchase price in the prescribed manner.
31. Seller warrants for a period of thirty days (30) from the date of shipment that its products are manufactured and shipped free from substantial defects in materials and workmanship and are in conformance with Certificates of Conformance or Compliance or the like, if any, signed by its authorized representative provided, however, that

the foregoing is subject as to each shipment to variations permitted by the quality level or sampling products specified by Buyer or to the quality level or sampling procedure of Seller if they are not specified by Buyer. Buyer is to inspect the products and should failure to conform to this warranty be discovered within the warranty period, Seller will, if promptly notified, remedy the failure by suitable repair or replacement of the products at its own expense or, at its option, by refund of the portion of the purchase price attributable to products comprising the failure.

32. Products manufactured by others and furnished by Seller are limited to the original manufacturer's warranty, if any, and are sold "AS IS" and all liability of Seller due to inadequacies of such products is excluded and disclaimed.
33. All liability of Seller due to inadequacies of products which have been damaged, altered, reworked, repaired, modified or processed after shipment is excluded and disclaimed.
34. This order may not be assigned by Buyer without the express written consent of Seller.
35. To secure the payment of any indebtedness hereunder, Buyer irrevocably authorizes any attorney of any court of record to appear for the Buyer in favor of the Seller hereof for such sum as may appear to be unpaid and owing hereon, together with costs and reasonable attorney's fees and to waive and release all errors which may intervene in such proceedings and consent to immediate execution upon such judgement or judgements hereby ratifying and confirming all that said attorney may do by virtue hereof.

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