

# Anderson-Cook Incorporated "TERMS AND CONDITIONS OF SALE"

1. TERMS AND ACCEPTANCE. Except as provided in the next sentence, if Anderson-Cook, doing business as MRA Industries and LM Gear (individually, "Seller") has previously sent Buyer a completed, written price quotation ("Quotation"), and Buyer does any act to accept the Quotation, as stated herein, a contract for the sale of such products will have been made in accordance with the terms contained herein. If Seller has not previously sent Purchaser a Quotation or has orally offered to change the purchase price contained in the Quotation, these terms reflect the terms of the contract for the sale of such products. Seller has the right to withhold performance until reasonably satisfied as to the Buyer's credit worthiness.

THE SALE OF GOODS FROM SELLER TO BUYER IS LIMITED TO AND CONDITIONAL UPON BUYER'S ACCEPTANCE OF THESE TERMS EXCLUSIVELY. Buyer shall be deemed to accept the terms contained herein, exclusively, by doing any of the following: (a) accepting or acting upon Seller's Quotation; (b) issuing a purchase order, order confirmation, or material release to Seller; (c) ordering prototype or sample parts from Seller; (d) paying Seller any amount billed referencing the Quotation or at the price stated; or (e) any other conduct that recognizes the existence of a contract with respect to the subject matter of any Quotation. Such acceptance shall be the "Order". The shipment of goods does not constitute an acceptance of any offer or proposal made by Buyer. Any reference in any document issued by Seller to Buyer's purchase order number is solely to incorporate the description or specifications of goods, and shall not constitute an acceptance of any terms proposed by Buyer. Any provisions printed or otherwise contained in any purchase order, supply agreement, award letter or other document inconsistent with or in addition to the terms and conditions of this acknowledgment, or any alteration by Buyer to the Quotation or these terms, are expressly rejected and will have no force or effect. Any additional or different terms proposed by Buyer, whether in Buyer's purchase order, acknowledgment, award letter, or other documentation, are unacceptable to Seller, are expressly rejected by Seller, and will not become part of the Order. Any modification of Seller's Terms or the Quotation must be in writing and signed by Seller.

2. PRICES. A) The quoted price is firm for thirty (30) days from the date of the quotation provided however if Seller's cost of materials is increased by its suppliers during the 30 day period, Seller shall have the option of passing on the increased cost to the Buyer. B) If Seller's material prices are increased, at any time, Seller has the right to pass on any increase in material cost to Buyer and reserves the right to increase prices on the anniversary date of any order. Seller shall promptly notify Buyer in writing of any price increase. Buyer shall pay the new price on any parts for which it requests release after date of notice. C) The

price per unit is based on quantity released for each shipment per Buyer's request, regardless of total quantity ordered. Prices stated in the Quotation or the Order are not subject to cost competitiveness.

3. BLANKET ORDERS. Quantities on blanket purchase orders are presumed to be for planning purposes. Releases against a blanket are our authorization to produce and ship.

4. TOOLING CHARGE. The tooling charge quoted represents a part of the cost of the necessary tools and fixtures required for the particular work. Such tools and fixtures remain the sole property of Seller.

5. TAXES. Prices on the specified products are exclusive of all city, state and federal excise taxes, including, without limitation, taxes on manufacture, sale, use, and similar taxes. Where applicable, any tax or taxes will be added to the invoice as a separate charge to be paid by Buyer.

6. TERMS OF PAYMENT FOR PRODUCT. Net 30 days Balances over 30 days are subject to an interest charge of 1 ½% per month on the outstanding balance. Buyer agrees to pay costs associated with collection and enforcement of overdue invoices, including Seller's reasonable legal fees and court costs.

7. CANCELLATION. The duration of all Orders are for the "life of the program." An Order once placed with Seller may be cancelled only with Seller's consent and upon terms that will indemnify Seller against all losses, including payment for work in process, tooling charges, amortization of equipment not realized through goods already purchased prior to cancellation, and lost profits to Seller for goods Buyer indicated or represented in any way it would purchase but did not purchase due to cancellation.

8. PACKAGING. Packaging of sample is not necessarily representative of production part packaging.

9. RAW MATERIALS AND INVENTORY. Seller shall have the right to ship and/or invoice to Buyer raw materials or finished goods on hand which remain at Seller more than 30 days by reason of delay caused by Buyer. Stock and handling charges will be incurred after 60 days.

10. DELIVERIES. A) Deliveries shall be subject to strike, labor difficulty, riot, civil unrest, war, fire, delay or default of common carriers, failure or curtailment in Seller's usual sources of supply or in funding a source of supply for a new product, government decree or order, or without limiting the foregoing, any other delay beyond Seller's reasonable control or contingency not within contemplation of Seller at the time it makes a Quotation, and Seller shall not be liable for any loss or damage incurred by Buyer or other arising therefrom. Seller shall have the additional right, in the event of the happening of any of the above contingencies, at its option, to cancel this contract or any part thereof without any resulting liability. Shipments made within 10 days after the specified date of

delivery shall constitute a good delivery. Any delivery not in dispute shall be paid for regardless of other controversies relating to other delivered or undelivered merchandise. B) Unless otherwise expressly agreed to in writing all shipments are F.O.B. Seller's plant and will be shipped freight collect.

11. WARRANTIES AND EXCLUSIONS. A) Any product that is defective will be replaced on a no-charge basis or credit issued therefore, at the option of Seller, if written notice is received by Seller within 30 days after receipt of the product by the Buyer and the product is found defective by Seller. B) Seller will not accept returned goods without authorization from Seller. C) Due to the great number and variety of applications for which Seller's products are purchased, unless otherwise agreed to in writing, Seller does not recommend specific application or assume any responsibility for use, results obtained or suitability for specific application. Buyer is cautioned to determine the appropriateness of products for Buyer's specific application before ordering and to test and evaluate thoroughly before use. D) SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES AS TO MERCHANTABILITY OR AS TO THE FITNESS OF THE PRODUCTS FOR ANY PARTICULAR USE OR PURPOSE, AND SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, DIRECTLY OR INDIRECTLY, ARISING FROM THE USE OF SUCH PRODUCTS OR FOR CONSEQUENTIAL DAMAGES.

12. SELLER'S RIGHT OF REPOSSESSION. Seller shall have the right, in addition to all others it may possess, at any time, for credit reasons or because of Buyer's default(s), to withhold shipments in whole or in part, and to recall goods in transit, retake same, and to repossess all goods which may be stored with Seller for Buyer's account, without the necessity of taking any other proceedings, and the Buyer agrees that all the merchandise so recalled, retaken, or repossessed shall become the absolute property of Seller, provided that the Buyer is given credit therefore. The foregoing shall not be construed as limiting, in any manner any of the rights or remedies available to Seller because of any default of the Buyer under the Uniform Commercial Code of the State of Michigan.

13. PATENT INFRINGEMENT CLAIMS. Buyer shall in respect of goods packaged by Seller in accordance with designs, processes or formulas supplied, determined, or requested by Buyer, defend and indemnify Seller at Buyer's expense and pay costs and damages awarded in any suit brought under against Seller for infringement of any letters patent or the like by reason of use of such designs, processes or formulas, provided Seller promptly notifies Buyer in writing of any claim or suit for infringement and tenders defense thereof to Buyer. Seller is entitled to be represented in any suit at its own expense.

14. APPLICABLE LAW. This document and the performance thereof shall be interpreted and governed by the provisions of the Uniform Commercial Code of the State of Michigan, except as expressly set forth to the contrary herein.