

MICHLIN METALS PURCHASE ORDER TERMS AND CONDITIONS

All orders placed by Michlin Metals, Inc. are governed by the following terms and conditions:

1. **ACCEPTANCE AND GOVERNING PROVISIONS.** As used in this Purchase Order, the term “Buyer” means Michlin Metals, Inc. and any affiliated companies or customers of Buyer that are authorized to purchase under this order (“Order”). This Order is not an acceptance of any offer to sell but is an offer by Buyer to purchase. Acceptance of this Order and assent to these terms and conditions shall be deemed given by the Supplier to whom it is addressed (“Seller”) unless Seller gives specific written notice to the contrary to the Buyer prior to any performance of the Order, and Buyer agrees to modification of these terms in writing. Upon acceptance, this Order, together with quantities, prices, and delivery terms specified in releases pursuant to this Order, and Buyer, and its customers operating requirements, shall constitute the entire agreement between the parties (except for any additional warranties given by Seller), superseding any and all previous communications and negotiations. Buyer objects to and rejects any and all such different or additional terms proposed by Seller, regardless of the format, although the parties may use their form documents for ease of administration. The agreement or sale resulting from the acceptance of this Order shall be construed and interpreted in accordance with the internal laws of the State of Illinois without regard to its conflict of laws rules. The Convention on the International Sale of Goods is excluded. The parties may implement this Order through electronic means, and all such transactions shall be deemed to be writings completed pursuant to this Order.

2. **PRICE.** The price payable to Seller for completing this purchase order is as described on the purchase order. No additional charges of any kind, including, without limitation, charges for boxing, packing, freight, or other charges or expense will be allowed unless specifically agreed to in writing in advance by Buyer

3. **DELIVERY.** Seller shall deliver the goods and services, in the quantities, within the agreed time, in accordance with the specifications which have been provided to Seller, and at the prices specified in the Order. Stated time limits and quantity commitments are of the essence of this Order. Failure of Seller to comply with any such requirements shall entitle Buyer, in addition to any other rights or remedies, to cancel this Order and be relieved of all liability for any undelivered portion. Buyer shall be responsible only for quantities specified on releases pursuant to this Order, or otherwise specifically agreed to, in writing, by Buyer.

4. **INSPECTION.** All goods purchased hereunder shall be subject to inspection and testing by Buyer or Buyer’s customer at any reasonable time and from time to time before, during or after manufacture or delivery. Notwithstanding any payment that may be made, no goods are to be deemed accepted until Buyer or Buyer’s customer has had a reasonable opportunity to inspect them.

5. **WARRANTIES.** In addition to its standard warranty and/or service guaranty, Seller warrants that all goods supplied hereunder: (a) are free and clear of all liens and encumbrances, that good and merchantable title is transferred to Buyer; and that all services rendered are not rendered in violation of any duty owed to a third party by Seller; (b) are free from any defects in design, material or workmanship and are of good and merchantable quality; and that all services conform to specifications and are completed in a timely, competent and workmanlike manner; (c) conform to Buyer’s specifications, and the specifications and instructions of Buyer’s customers that have been provided to Seller and with any sample approved by Buyer; and are fit for the known purposes for which purchased; and (d) that the sale or use of goods or provision of services furnished hereunder in the manner intended will not infringe or contribute to infringement of any patent, copyright, or trademark in the United States, (e) comply and have been produced, processed, delivered and sold in conformity with all applicable Federal, state or other laws, administrative regulations rules and executive orders, industry codes and standards, including, without limitation, the Fair Labor Standards Act, government contracting regulations and flow down provisions and laws and regulations governing hazardous materials. The foregoing warranties shall survive inspection, delivery and payment, and shall run in favor of Buyer and its customers. If any such goods or services are found to be unsatisfactory for any reason, Buyer may, at its option, retain such goods at an adjusted price or return them to Seller for repair, replacement or refund as Buyer shall direct; or may require re-performance or refund with respect to services. Buyer shall be reimbursed by Seller for all of its expenses in connection with the handling and transporting of any such unsatisfactory goods and additional expenses incurred by Buyer as a result of nonconformance of goods or services, including rework, de-installation, disposal, replacement or recall and Seller shall assume all risk of loss or damage in transit to goods returned by Buyer.

6. **INDEMNITY & INSURANCE AND LIMITATION OF LIABILITY** Seller shall defend and indemnify Buyer, its successors and assigns and its customers (whether direct or indirect) against any and all losses, damages and expenses (including costs of any cure or remedy required by Buyer’s customers for non-performance, attorneys’ fees and other costs of defending any action), which they, or any of them, may sustain or incur as a result of any claim by Buyer or its customers of violation of any Federal, state or local, law, rule, regulation or executive order, negligence, breach of warranty or strict

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liability in tort in connection with the production, sale or use of the goods or provision of services furnished hereunder; in any negotiation or action to enforce Buyer's rights under this Agreement or incurred by Buyer in any litigation, negotiations, transactions with its customer or third parties in which Buyer becomes involved as a result of Seller's actions or failures to act. Seller shall, at Buyer's request, defend all claims involving allegations against both Seller and Buyer at Seller's expense, and Buyer shall cooperate in such defense. **PROVIDED HOWEVER, EXCEPT FOR THE OBLIGATION TO INDEMNIFY AGAINST THIRD PARTY CLAIMS, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOST TIME, LOST PROFITS, OR FOR SPECIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES OF ANY KIND, REGARDLESS OF THE FORM OR BASIS OF THE CLAIM.** Seller shall obtain and maintain sufficient Commercial General Liability coverage, including Products Liability and Contractual Liability Insurance, approved by Buyer, to protect Seller and Buyer from reasonably anticipated claims, but with a limit of liability not less than \$2 million per occurrence.

7. **CONFIDENTIALITY.** Seller agrees (a) to maintain in confidence all confidential information of Buyer (b) not to disclose any such information to anyone except Seller's employees on a need-to-know basis (and who have been informed of and acknowledge their obligation to be bound by the terms of this Agreement) and third parties to whom such disclosure is specifically authorized in writing by Buyer, and (c) not to use Buyer's confidential information for any purpose other than that for which it is disclosed. All confidential information shall remain the sole property of Buyer and Seller shall have no right, title or interest in or to the confidential information. Confidential information of Buyer includes, without limitation, information of Buyer and information of third parties, including Buyer's customers, in Buyer's possession relating to (a) matters of a technical nature such as trade secret processes or devices, know-how, data, formulas, inventions (whether or not patentable or copyrighted), specifications and characteristics of products or services planned or being developed, and research subjects, methods and results, (b) matters of a business nature such as information about costs, profits, pricing, policies, markets, sales, suppliers, customers, product plans, and marketing concepts, plans or strategies, (c) matters of a human resources nature such as employment policies and practices, personnel, compensation and employee benefits, (d) other information of a similar nature not generally disclosed by Buyer to the public.

8. **NON-ASSIGNABILITY.** If Seller assigns or subcontracts any portion of this Agreement, Seller remains responsible for performance of the agreement by its assignee.

9. **TAXES.** Taxes are included in prices, unless otherwise agreed to by Buyer.

10. **CHANGES.** Buyer may make changes in specifications, quantities, delivery schedules, or methods of shipment or packaging on any item good or service at any time. If such changes result in an increase or decrease in cost or time of performance, an equitable adjustment of price and delivery schedules may be agreed to in advance of the implementation of such change or Buyer may, at its option, terminate this contract if agreement on an equitable adjustment cannot be reached.

11. **CANCELLATION BY BUYER.** Buyer shall have the right to cancel this Order without cause, and Buyer's liability for cancellation of this Order without cause shall be limited to Seller's actual, documented cost for work and materials applicable solely to this Order which were expended prior to receipt of notice of cancellation by Seller, and in no event shall exceed the purchase price of cancelled goods or services.

12. **GOVERNMENT AND END-USER CONTRACT TERMS AND CONDITIONS.** If the items goods or services to be furnished under this Order are to be used in furtherance of any U.S. government prime contract or subcontract, then all the applicable provisions required to be included in this Order by the applicable government contract or by federal law, executive Order or regulation shall be deemed incorporated herein, including all applicable Federal Acquisition Regulations and Defense Federal Acquisition Regulations. Seller agrees to comply with all applicable local, state and federal laws and executive orders and regulations issued pursuant thereto, including without limitation, identification of country of origin, customs rules and regulations, restrictions on export of information, restrictions on dealing with restricted persons and citizens of restricted countries, compliance with equal opportunity requirements and implementation of a supplier diversity plan. All end-user contract terms relating to quality, quantity and delivery are hereby incorporated and made a part of any affected purchase order. Buyer will notify Seller of all such terms and conditions. Seller shall not be held responsible for conforming to end-user terms and conditions unless it receives a copy of such terms and conditions.