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MCGREGOR METALWORKING COMPANIES

TERMS AND CONDITIONS OF PURCHASE

1. Applicability

1.1 These Terms and Conditions of Purchase (these “Terms”) are the only terms that apply to and govern the purchase of Goods and Services by McGregor Metalworking from Seller. The accompanying purchase order (the “Purchase Order”) and these Terms (collectively, this “Agreement”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Seller’s general terms and conditions of sale regardless of whether or when Seller has submitted its sales quotation, acknowledgement, confirmation or such terms or on Seller’s web site or customer e-commerce site. This Agreement expressly limits Seller’s acceptance to the terms of this Agreement.

1.2 As used in these Terms, (a) “McGregor Metalworking” means the company identified on the applicable Purchase Order or separate written agreement issued to a Seller, and includes Carmichael Machine Corporation, Morgal Machine Tool Co., Ohio Stamping & Machine LLC, Rose City Manufacturing, Inc., and McGregor Companies Administrative LLC, as applicable, (b) “Seller” means the seller of the Goods or Services to McGregor Metalworking, and includes the company identified on the applicable Purchase Order or separate written agreement issued to the Seller, and includes Carmichael Machine Corporation, Morgal Machine Tool Co., Ohio Stamping & Machine LLC, Rose City Manufacturing, Inc., and McGregor Companies Administrative LLC, as applicable (c) “Goods” means the Goods that are the subject of the purchase by McGregor Metalworking, and (d) “Services” means the services that are the subject of the purchase by McGregor Metalworking.

1.3 If a Purchase Order or a separate written agreement signed by both parties is in existence covering the sale of the Goods and Services covered hereby, the term of such Purchase Order or separate written agreement shall control to the extent of any conflict with these Terms.

1.4 Seller will be deemed to have accepted the Agreement if Seller (a) acknowledges McGregor Metalworking’s Purchase Order, (b) commences work on, delivers or performs any of the Goods or Services, or (c) takes any other action evidencing Seller’s acceptance of the benefits of any part of the Agreement.

2. Delivery of Goods and Performance of Services

2.1 Delivery terms are as stated in the Agreement, or, if none are so stated, shall be Free On Board (“FOB”) the designated McGregor Metalworking facility.

2.2 Seller shall deliver all Goods and Services on the dates specified by McGregor Metalworking. Seller acknowledges that time is of the essence with respect to Seller's obligations hereunder and the timely delivery of the Goods and Services. McGregor Metalworking may reject any Goods or Services not delivered on time (whether early or late) and return such Goods and Services at Seller’s risk and expense. Seller may not withhold delivery for any reason without the prior written

consent of McGregor Metalworking. If there is any anticipated or actual delay in the delivery of Goods, Seller shall ship, at Seller's sole cost and expense, Goods using an expedited method of transportation such as express air freight.

2.3 Seller shall deliver all Goods and Services in the quantities specified by McGregor Metalworking in the applicable Purchase Order. Quantities delivered in excess of ordered quantities may be returned at Seller's risk and expense.

2.4 Risk of loss and damage to the Goods remains with Seller until the Goods have been delivered to the designated McGregor Metalworking facility in accordance with the delivery terms. If Goods are received by the designated McGregor Metalworking facility on consignment, risk of loss and damage to the Goods, and responsibility for insuring the Goods against loss and damage, remains with Seller until the time at which McGregor Metalworking either resells the Goods or uses the Goods in production.

3. Packaging and Shipping

3.1 Seller shall properly pack, mark, ship and route the Goods in accordance with the requirements of McGregor Metalworking and in accordance with all applicable laws and regulations, or if there are no stated requirements, in accordance with best commercial practices designed to prevent loss or damage due to weather, transportation and other causes.

3.2 The Purchase Order number must appear on all shipping documents, shipping labels, bills of lading, air waybills, invoices, correspondence and any other documents pertaining to the Purchase Order. The markings on each package and shipping document must be such that McGregor Metalworking can easily identify the Goods.

4. Prices

4.1 Prices for the Goods and Services are as stated in the Agreement. Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation costs to the McGregor Metalworking facility, insurance, customs duties, and fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of McGregor Metalworking.

4.2 All invoices must include McGregor Metalworking's complete Purchase Order number and have all necessary or required bills of lading and other shipping receipts and documents attached.

4.3 Seller shall issue an invoice to McGregor Metalworking on or any time after the completion of delivery and only in accordance with these Terms. McGregor Metalworking shall pay all properly invoiced amounts due to Seller as stated in the Agreement or within ninety days after McGregor Metalworking's receipt of such invoice, except for any amounts disputed by McGregor Metalworking in good faith. Without prejudice to any other right or remedy it may have, McGregor Metalworking reserves the right to set off at any time any amount owing to it by Seller against any amount payable by McGregor Metalworking to Seller under this Agreement.

5. Changes

5.1 McGregor Metalworking may require Seller to implement changes to the specifications, design, quantities and delivery schedules of the Goods, the description, specifications, amount and scheduling of the Services, and other requirements under the Agreement. Seller shall promptly implement such changes. McGregor Metalworking will equitably determine any adjustment in price or delivery schedules resulting from such changes. To assist in McGregor Metalworking's determination of any equitable adjustment in price or delivery schedules, Seller shall, upon McGregor Metalworking's request, promptly provide additional information to McGregor Metalworking, including documentation of changes in Seller's cost of production and the time to implement such changes. Seller acknowledges that a change order may or may not entitle Seller to an adjustment in the Seller's compensation or the performance deadlines under this Agreement.

6. Quality

6.1 Seller shall promote continuous quality improvement and shall comply with McGregor Metalworking's required quality control standards for the manufacturing, packaging and shipping processes for the Goods and the provision of the Services. In performing its obligations hereunder, Seller may not, change the materials, processes or sub-suppliers used in the manufacture of any Goods or the provision of any Services.

7. Inspection and Rejection of Non-conforming Goods and Services

7.1 McGregor Metalworking has the right, but not the obligation, to inspect the Goods upon arrival prior to acceptance on or after delivery at the designated McGregor Metalworking facility and the Services upon completion. McGregor Metalworking, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If McGregor Metalworking rejects any portion of the Goods or Services, McGregor Metalworking has the right, effective upon written notice to Seller, to: (a) rescind this Agreement in its entirety; (b) accept the Goods or Services at a reasonably reduced price; or (c) reject the Goods or Services and require replacement of the rejected Goods or Services. If McGregor Metalworking requires replacement of the Goods or Services, Seller shall, at its expense, within ten days, replace the nonconforming or defective Goods or Services and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods or Services, McGregor Metalworking may replace them with goods or services from a third party and charge Seller the cost thereof and terminate this Agreement for cause. Any inspection or other action by McGregor Metalworking under this Section shall not reduce or otherwise affect Seller's obligations under the Agreement, and McGregor Metalworking shall have the right to conduct further inspections after Seller has carried out its remedial actions.

7.2 None of the following will constitute acceptance by McGregor Metalworking of non-conforming Goods or Services, limit or impair McGregor Metalworking's right to exercise any of its rights and remedies under the Agreement or applicable law, or relieve Seller of its obligations (including warranty obligations) under the Agreement: (a) McGregor Metalworking's inspection of or failure to inspect the Goods or Services, (b) McGregor Metalworking's failure to reject non-conforming

Goods or Services following receipt, and (c) McGregor Metalworking's payment for or use of the Goods or Services.

8. Warranties

8.1 Seller represents and warrants that the Goods and their components will (a) conform to applicable specifications, drawings, designs, samples and other requirements specified by McGregor Metalworking, (b) be free from any defects in workmanship, material and design, (c) be fit for their intended purpose and operate as intended and be of merchantable quality, and (d) be free and clear of all liens, security interests or other encumbrances (e) comply with all applicable laws, regulations and standards.

8.2 Seller warrants to McGregor Metalworking that it shall perform the Services (a) using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement, (b) in conformance to McGregor Metalworking's specifications and requirements, and (c) in compliance with all applicable laws, rules, regulations and standards.

8.3 Any applicable statute of limitations runs from the date of McGregor Metalworking's discovery of the noncompliance of the Goods or Services with the foregoing warranties. Upon a breach of any warranty in the Agreement, Seller shall, at its sole cost and expense, promptly (a) replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement Goods to McGregor Metalworking, and, if applicable, (b) repair or re-perform the applicable Services, or (c) at McGregor Metalworking's option, provide a refund to McGregor Metalworking for any affected Goods and Services

9. Intellectual Property

9.1 Seller represents and warrants that the Goods and Services, and the manufacture, sale, use and provision of the Goods and Services do not and will not infringe any trade secrets, patents, trademarks, copyright, design, other intellectual property right or any other right of any third party. Seller shall, at its expense, defend, indemnify and hold harmless McGregor Metalworking and any indemnitee against any and all losses arising out of or in connection with any claim that McGregor Metalworking's or indemnitee's use or possession of the Goods or use of the Services infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without McGregor Metalworking's or Indemnitee's prior written consent.

10. Indemnification

10.1 Seller shall indemnify, defend and hold harmless McGregor Metalworking and its affiliates and their respective directors, officers, employees, agents, representatives and customers against all claims, judgments, decrees, liability, damages, losses, costs and expenses (including actual attorneys' and consultants' fees) that arise out of or relate to the Goods and Services purchased from Seller or Seller's negligence, willful misconduct or breach of the Terms, including but not

limited to (a) any breach by Seller of its representations, warranties or obligations under this Agreement or (b) any alleged or actual infringement of the trade secrets or intellectual property or other rights of third parties.

11. Insurance

11.1 During the term of this Agreement and for a period of four years thereafter, Seller shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability) in a commercially reasonable amount with financially sound and reputable insurers. Upon McGregor Metalworking's request, Seller shall provide McGregor Metalworking with a certificate of insurance from Seller's insurer evidencing the insurance coverage specified in these Terms. Seller shall name McGregor Metalworking as an additional insured. Seller shall provide McGregor Metalworking with thirty days' advance written notice in the event of a cancellation or material change in Seller's insurance policy. Except where prohibited by law, Seller shall require its insurer to waive all rights of subrogation against Seller's insurers and Seller.

12. Confidentiality

12.1 All non-public, confidential or proprietary information of McGregor Metalworking, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by McGregor Metalworking to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Agreement is confidential, solely for the purpose of performing this Agreement and may not be disclosed or copied unless authorized in advance by McGregor Metalworking in writing. Upon McGregor Metalworking's request, Seller shall promptly return all documents and other materials received from McGregor Metalworking. McGregor Metalworking shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to McGregor Metalworking at the time of disclosure; or (c) rightfully obtained by McGregor Metalworking on a non-confidential basis from a third party.

13. Termination by McGregor Metalworking

13.1 In addition to any remedies that may be provided under these Terms, McGregor Metalworking may terminate this Agreement with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods or the Seller's delivery of the Services, if Seller has not performed or complied with any of these Terms, in whole or in part. If the Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then the McGregor Metalworking may terminate this Agreement upon written notice to Seller. If McGregor Metalworking terminates the Agreement for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted and Services accepted by McGregor Metalworking prior to the termination.

14. Termination for Cause by Seller

14.1 Seller shall not terminate the Agreement unless McGregor Metalworking is in material breach of the Agreement, Seller has notified McGregor Metalworking in writing of such breach and McGregor Metalworking has not cured such breach within a reasonable time (but in any event not less than 60 days) after receiving such written notification.

14.2 McGregor Metalworking will not be liable for, and Seller agrees not to assert that McGregor Metalworking is liable for, any of the following: (a) consequential, incidental, indirect, special and punitive damages; (b) recall costs, line shut-down costs, lost or anticipated profits or revenue or cost of capital; (c) finished Goods, work-in-process or materials which Seller fabricates or procures in amounts that exceed those authorized by McGregor Metalworking in purchase orders or releases (but excluding forecast quantities); (d) goods or materials that are in Seller's standard stock or that are readily marketable; (e) claims of Seller's suppliers or other third parties for damages or penalties, and (f) all other losses, damages, liabilities, costs and expenses not expressly set forth in Section 14.2.

15. Compliance with Laws

15.1 In the performance of its obligations hereunder, Seller shall comply with all applicable laws, statutes, regulations and ordinances. Seller shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement.

16. Miscellaneous

16.1 Seller may not assign its rights or obligations under the Agreement. Any attempted assignment will be void, unless McGregor Metalworking has given its prior written consent to such assignment. McGregor Metalworking may assign its rights under the Agreement.

16.2 If any term of the Agreement is declared unenforceable, the remaining terms will remain in effect, and the unenforceable term will be replaced by a term that is valid and enforceable and that comes closest to expressing the intention of the unenforceable term.

16.3 Any terms which, by their nature, extend beyond the expiration or termination of the Agreement will survive the expiration or termination of the Agreement, including Sections 8, 9, 10, 11, 12, 15, and 16.

16.4 The Agreement is governed by and interpreted in accordance with the laws of the State of Ohio, USA, without reference to its conflict of laws rules. Both parties consent to the jurisdiction of the state and federal courts having authority over the territory of Clark County, Ohio for the resolution of any dispute arising under the Agreement; that consent will be to the exclusive jurisdiction of such courts.

16.5 Each party hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury in respect of any litigation arising in connection with the Agreement.