



GENERAL TERMS AND CONDITIONS OF SALE

IF YOU ("PURCHASER") PLACE AN ORDER WHICH IS ACCEPTED BY SCHILLING INC. ("SELLER") THAT ORDER WILL BE SUBJECT TO THESE TERMS AND CONDITIONS. THESE TERMS APPLY EXCLUSIVELY WITHOUT REGARD TO ANY ADDITIONAL OR CONFLICTING TERMS CONTAINED IN ANY FORMS OR DOCUMENTS EXCHANGED IN SUPPORT OF AN ACCEPTED ORDER. BY PLACING AN ORDER YOU AGREE TO THESE TERMS AND CONDITIONS.

1. WARRANTY:

- (a) Seller warrants to Purchaser that goods of its own manufacture will, at the time of shipment, conform to the description on the face hereof and be conveyed with good title thereto, free from security interests, liens and encumbrances unknown to Purchaser.
- (b) ASIDE FROM THE LIMITED WARRANTY SET FORTH ABOVE, SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ASIDE FROM THE LIMITED WARRANTIES, SET FORTH ABOVE, ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY LAW. Seller makes no warranty whatsoever with respect to goods manufactured by third parties or other suppliers. Warranties with respect to such goods are limited to those which are offered by such suppliers and which are transferable.

2. LIMITATION OF LIABILITY:

- (a) Seller's sole liability and Purchaser's exclusive remedy for any tender of nonconforming or defective goods or breach of warranty, except as to the warranty of non-infringement which is set forth in paragraph 6 below, is expressly limited to Seller's choice of (i) the repair of nonconforming or defective goods, (ii) the replacement thereof with conforming goods at the trade term point designated hereunder, or (iii) the repayment of that portion of the purchase price represented by the nonconforming or defective goods. Such repair, replacement, or repayment will be made only upon return of the nonconforming or defective goods, which may be returned at the cost of Seller only after inspection by Seller and receipt by Purchaser of definite shipping instructions from Seller.
- (b) Purchaser shall have fifteen (15) days from receipt of any goods provided hereunder to inspect such goods and determine if the goods are nonconforming or defective, or whether any shortages exist. If Purchaser wishes to make a claim for nonconforming or defective goods, or for any shortages, Purchaser must notify Seller in writing prior to the expiration of the fifteen (15)-day inspection period and permit inspection by Seller of such goods. No goods may be returned without prior written authorization from Seller.
- (c) Seller shall not be liable for any incidental, consequential, indirect, special, contingent or punitive damages for:
 - (i) any breach of warranty, except as to the warranty of non-infringement which is set forth in paragraph 6 below, whether based on theories of breach of warranty, breach of contract, tort, strict liability or otherwise;
 - (ii) the tender of defective or nonconforming goods; or
 - (iii) breach of any other term contained herein.In any event, Seller's liability shall not exceed the purchase price of the goods on which such liability is based.

3. PAYMENT:

Unless otherwise stated herein, Purchaser shall reimburse Seller for all taxes, excises, duties, fees or other charges which Seller may be required to pay to any Federal, State, or Local government upon the production, sale documentation, delivery and/or transportation of the goods sold hereunder. Our terms are specified in our written quotation. Purchaser shall incur interest at the lesser of the rate of 1.5% per month or the highest rate permitted by applicable law on amounts not paid in accordance with the terms of sale. Foreign shipments will be in United States funds based on a confirmed irrevocable letter of credit to be opened no later than forty-five (45) days from receipt of purchase order, or by special terms agreed upon in writing. Such amounts shall be paid upon presentation of documents. If Purchaser fails to make timely payments or if, in Seller's opinion, either the financial condition of Purchaser or Purchaser's affiliates or other grounds for insecurity warrant such action, Seller may, without limiting its other remedies, (i) suspend shipments pending receipt of payment in advance or other security satisfactory to Seller or (ii) terminate the Order, in which event unpaid invoices shall become immediately due and payable. As to any party, the terms "affiliates" means any corporation, partnership, trust or other entity controlling,

controlled by or under common control with such party. Seller shall be entitled to set off any amount owed by Purchaser or by any of Purchaser's affiliates to Seller or to any of Seller's affiliates against any amount payable by Seller in connection with the Order.

4. RISK OF LOSS, OWNERSHIP, AND TITLE:

Unless otherwise agreed in writing manually signed by Purchaser and Seller, title, ownership, right of possession and risk of loss with respect to the goods shall remain with Seller until the goods are placed at the disposal of Purchaser at the point of shipment. Until such time as Seller has received full payment for goods sold hereunder, Seller shall have available all rights at law or equity to a secured seller, including the right to enter upon the premises where such goods shall be located for purposes of removing same, or rendering it inoperative, and all such rights shall be cumulative.

5. DELAYS:

Any shipping schedules set forth in Seller's quotation are based on information available to Seller at the time of quotation and are subject to change based upon information (i) subsequently disclosed in Purchaser's order, or (ii) which is complete and which contains necessary specifications for Seller to proceed with design and manufacture, is received and accepted by Seller. If a specific shipping (dispatch) date is not designated on the face hereof or in a subsequent writing signed by Seller, Seller shall not be responsible for any delays in the performance of this order nor liable for any loss or damages resulting from any delays. If a specific shipping date is designated either on the face hereof or subsequently by Seller, Seller shall use reasonable efforts to meet such shipping date, but shall have no liability to Purchaser if unable to do so, including without limitation liability for incidental and consequential damages for delays in delivery. Seller will not be liable for delays in filling this order or failure in the performance of any of its obligations hereunder caused by accidents, differences with workmen, shortages of labor, materials, fuel, power, fires, floods or other Acts of God, acts or omissions of Purchaser, priorities required, requested or granted for the benefit of the Federal or any state government, restrictions imposed hereunder by Federal or state legislation or regulations there under, or any cause, whether similar or dissimilar to those enumerated, beyond the control of Seller.

6. INFRINGEMENT:

Subject to the limitations set forth below, Seller agrees to indemnify Purchaser against court assessed damages and costs resulting from infringement of any United States Letters Patent or other intellectual property right extant at the time of Purchaser's acceptance of this offer by tools, machines, components, constructions or other goods offered for sale generally by Seller on said date, provided that said goods are in the condition furnished to the Purchaser by Seller. Seller's liability respecting infringement shall be limited to the purchase price of the particular goods raising the infringement charge, adjusted by straight-line depreciation based on a ten-year life.

Where the infringement arises from a severable component of an assembly, such as a tool part which is severable from an assembly such as a press, Seller's liability shall be limited to the ten-year straight line depreciated price or replacement price or cost of said component. Purchaser agrees to indemnify Seller, its successors and assigns, against all court assessed decrees and costs resulting from infringement of any United States Letters Patent or other intellectual property right to the extent that such infringement arises from designs, specifications or instructions furnished or expressly or implicitly required by Purchaser.

Neither party shall be entitled to indemnification as to any claim for which it does not give prompt notice to the other party including notice respecting indemnification hereunder, and full opportunity at the expense of such other party, to defend and dispose of such claim. The sale of goods hereunder shall not grant to the Purchaser any right or license of any kind under any patent or other intellectual property right owned or controlled by Seller, but the foregoing shall not be understood to limit in any way the right of Purchaser to use and sell such goods in the event that such goods as sold hereunder are covered by a patent or other intellectual property right owned or controlled by Seller.

7. AFFILIATES:

Part or all of this order may be performed and part or all of the rights hereunder against Purchaser may be enforced by Seller or by any one or more of the persons affiliated with Seller.

8. INSTALLATION:

Unless otherwise indicated, the quoted prices do not include installation or other services, which may be provided by Seller. If such services are provided by Seller upon Purchaser's request, Purchaser shall be charged in accordance with Seller's prevailing schedule of charges for the applicable services. If Seller's personnel will be working in an area of Purchaser's plant with union personnel, Purchaser must make all necessary arrangements for Seller's personnel to perform installation work in harmony with local unions and applicable laws. Purchaser must

secure all applicable building permits and pay all applicable fees and charges prior to Seller performing any installation work.

9. CANCELLATION OR POSTPONEMENT:

Purchase orders or contracts for goods shall not be subject to cancellation or delivery postponed by Purchaser except with Seller's prior written consent. Cancellation charges will be imposed upon terms that will indemnify Seller against all costs incurred. Cancellation charges are due net 20 days from date of invoice for such charges.

10. SAFEGUARDING:

Purchaser assumes and shall bear all responsibility to order, install and use adequate and sufficient safeguards, work handling tools and safety devices to fully protect the operator and any other user of the goods sold hereunder at all times in accordance with legal requirements under applicable federal, state and local laws and codes and industry accepted standards. Seller shall have no liability to Purchaser whatsoever for the failure of Purchaser to order, install or use such safeguards, work handling tools or safety devices and Purchaser agrees to indemnify, defend, and save Seller harmless from all liabilities, claims, demands, losses and expenses (including reasonable attorneys' fees) resulting from failure to order, install and use such safeguards, work handling tools or safety devices.

11. INDEMNITY:

Other indemnity provisions notwithstanding, Purchaser shall release, hold harmless, indemnify and defend Seller from and against any liabilities (including without limitation liability for negligence or strict liability), losses, claims, suits and costs on account of personal injuries (including death), or property loss, or damage to others caused by, arising out of, or relating to the design of goods supplied hereunder or the design of packages or containers in which goods supplied hereunder are shipped, if such goods, packages or containers are made in compliance with the Purchaser's designs or specifications or arising out of or relating to any modifications, alterations or changes by Purchaser of the goods supplied hereunder.

12. OTHER:

- (a) All technical advice or assistance furnished by Seller to Purchaser with regard to use of goods sold hereunder is provided gratis, and Seller assumes no obligation or liability for such advice or assistance given or results obtained.
- (b) If Purchaser is unable to accept goods on schedule and requests postponement of delivery, Purchaser shall pay Seller for all storage and handling charges for the goods after the first scheduled delivery date, plus a service charge of 1.5% per month of the purchase price of such goods.

13. GOVERNING LAW:

These Terms and Conditions shall be governed by and construed under the laws of Ohio, excluding those provisions relating to choice or conflict of law. The parties irrevocably submit to the jurisdiction of the state and federal courts for the resolution of any and all disputes arising for the contract or these Terms and Conditions. Purchaser acknowledges that this forum selection provision is a material, bargained-for term.

14. CREDIT CARD ACCEPTANCE POLICY

- (a) Using a credit card to make a payment on account:

If a credit card is used to make a payment, then a 3% sur-charge on the amount being charged, will be assessed, and added to the transaction amount.