

TERMS OF PURCHASE

All purchases by Richard Tool & Die Corporation are subject to the following terms and conditions. In these Terms and Conditions of Purchase, "Buyer" means Richard Tool & Die Corporation. The term "goods" refers to all equipment, materials, products, tooling, goods and all other tangible and intangible property to be purchased by Buyer from Seller. The term "services" refers to the services to be purchased by Buyer from Seller.

- 1. Agreement.** This order constitutes an offer by Buyer and may be revoked or changed at any time before acceptance. BUYER SPECIFICALLY OBJECTS TO THE INCLUSION OF ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS BY THE SELLER IN ACKNOWLEDGING OR ACCEPTING THIS ORDER, and neither acceptance of delivery of all or part of the goods or services ordered, nor payment therefore, shall constitute acceptance by Buyer of any such different or additional terms and conditions that may be contained in Seller's acknowledgment, acceptance, confirmation, invoice, or other writing, regardless of whether Seller's acceptance of this order is conditioned upon Buyer's assent to such terms and conditions. If this order is made in response to a written proposal or other form of offer from Seller, and if Seller's proposal or other form of offer contains terms and conditions additional to or different from those contained herein, then BUYER'S ACCEPTANCE OF SELLER'S PROPOSAL OR OFFER IS HEREBY EXPRESSLY CONDITIONED UPON SELLER'S ASSENT TO ALL OF THE TERMS AND CONDITIONS CONTAINED IN THIS PURCHASE ORDER. The signing and returning to Buyer of this order, other written indication of acceptance, commencement of any work or the performance of any services purchased hereunder, or the shipment of conforming or non-conforming goods shall constitute acceptance by Seller of this order and all of its terms and conditions.
- 2. Price and Payment.** Prices and payment terms for the goods and services are stated on the purchase order. Unless Buyer agrees otherwise in writing, Buyer will not be required to pay (i) any sales, use, or other taxes arising because of Buyer's purchase from seller; (ii) any late charge, interest, finance charge, or similar charge; (iii) any charges for packing, storage, crating, or drayage; (iv) any export or import duties, clearances, tariffs, or other related charges; or (v) any freight or shipping charges. Buyer's payment of the purchase price does not indicate its acceptance of the goods or services, and payment of all or any part of the purchase price prior to Buyer's inspection and approval of the goods or services shall not constitute a waiver of any of Buyer's rights. Payment terms will run from the latest of (A) the scheduled date for delivery or performance; (B) the actual date of delivery of conforming goods or performance of conforming services; (C) the date of Seller's invoice; (D) in the case of capital equipment, completion of Buyer's final inspection and acceptance after installation; and (E) in the case of tooling, approval by Buyer of production pieces produced by the tooling. Seller warrants that the prices set forth in this order are not higher than the lowest prices charged by Seller to any other customer for the goods and services.
- 3. Delivery Time.** Time of delivery or performance is of the essence, and Buyer's stated delivery or performance date cannot be extended for any reason including delays in manufacture or shipment that Seller cannot control. Unless otherwise specified on Buyer's order as soon as goods are shipped to Buyer, Seller shall provide Buyer with a copy of the Bill of Lading showing proper classification, full routing, car or trailer number, weights and rates. Unless otherwise specified on the purchase order or authorized in writing by Buyer, all shipments are F.O.B. Buyer's designated facility and shall be made at Seller's own risk and expense. Seller shall follow Buyer's written instructions as to mode and routing of all shipments. All goods delivered by Buyer are subject to Buyer's inspection and approval.
- 4. Excess, Installment, and Early Deliveries.** If Seller delivers more goods than buyer ordered, Seller will not have to pay for the excess. Unless Buyer agrees otherwise in writing, Seller will deliver all of the goods in a single delivery and not in installments. Buyer's acceptance of a delivery containing less than the required quantity will not relieve Seller of its obligation to deliver the balance of the ordered goods at the price and on the other terms specified in this order. If Seller delivers the goods before the scheduled delivery date Buyer may at Seller's expense and risk, either store them or return them to Seller. Buyer's acceptance of an early delivery will not change the payment terms.
- 5. Blanket Order.** If this order is intended to be a blanket purchase order or blanket purchasing agreement, then except to the extent otherwise expressly stated on the purchase order; (i) Seller is obligated to deliver to or perform for Buyer all goods or services ordered or released by Buyer during the period, or in accordance with the delivery or performance schedule specified on the purchase order; (ii) Buyer is not obligated to order, release, or purchase from Seller any particular quantity or volume of goods or services; and (iii) Buyer may purchase any or all of the goods or services from others. All shipments made pursuant to a blanket purchase order shall constitute a single contract, and Buyer shall have the right to declare a breach of the contract as a whole if there occurs a breach with respect to any one or more shipments.
- 6. Representations and Warranties Concerning Seller.** Seller represents and warrants to Buyer that: (i) Seller has all necessary experience, qualifications, expertise, authority, licenses and permits to enable it to perform its obligations under the Contract; (ii) the Contract is the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms; (iii) Seller is solvent; (iv) Seller has not offered or given, and shall not offer or give, any gratuity or thing of value to any employee of Buyer or of any affiliate of Buyer; and (v) Seller is and shall continue to be in compliance with all applicable federal, state and local equal employment and affirmative action laws and regulations, including Executive Order 11246, the Vietnam Era Veterans Readjustment Assistance Act ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973, and all regulations under any of the above.
- 7. Warranties Concerning the Goods and Services.** (A) Seller warrants that the goods will be merchantable, of good material and workmanship fit for the purposes for which the Buyer intends them free from faults and defects, and free from all liens, claims, and encumbrances. Seller warrants that any services covered by this order shall reflect the highest standards of professional knowledge and judgment, will be of good workmanlike quality, and free from faults and defects. Seller also warrants that the goods and services will conform to any samples, drawings, specifications, or standards that are referred to on the purchase order or that Buyer has otherwise specified or agreed to and Seller warrants that the goods and services, and their manufacture and sale, will comply with all applicable federal, state, or local laws and regulations, including, without limitation, the Fair Labor Standards Act of 1938, and all safety standards issued under those acts. If Buyer requests it, Seller will give Buyer certificates of compliance with applicable laws and regulations. Seller's warranties extend to future performance of the goods and services and survive inspection, tests, acceptance and payment. Seller also warrants and agrees that Seller has not offered or given, and will not offer or give, to any of Buyer's employees any gratuity or thing of value. (B) Without limiting the generality of the warranties of subparagraph (A), Seller warrants that it will remedy any faulty or non-conforming goods under warranty at Seller's sole expense for a period of 1 year after delivery by promptly performing one of the following remedial actions that shall be selected by Buyer: (i) repairing or replacing the faulty or non-conforming goods (and correcting any plans, specifications, or drawings affected); (ii) furnishing Buyer with any materials, parts and instructions necessary to enable Buyer or its customers to correct or have corrected the faults or non-conformity at Seller's expense; or (iii) refunding the purchase price of the faulty or non-conforming goods to Buyer. Without limiting the generality of the warranties in subparagraph (A), Seller warrants that it will remedy any faulty or non-conforming services at Seller's sole expense for a period of 1 year after completion of such services by promptly performing one of the following remedial actions that shall be selected by Buyer: (a) performing the services, or (b) refunding the price to Buyer. The warranty with respect to any repaired or replaced goods or services shall be extended an additional 1 year from the date of repair or replacement. (C) Buyer's approval of a sample, drawing, specification, or standard will not relieve Seller of any of its warranties under this paragraph, including, without limitation, its warranties of merchantability, fitness for a particular purpose, and compliance with laws.
- 8. Claims.** Seller will indemnify and hold Buyer and Buyer's employees, agents and representatives harmless (and defend all of the above upon request) as to any claims, liabilities, and expenses (including attorney fees) brought against Buyer or incurred by Buyer because of: (i) any breach by Seller of any of its warranties to, or agreements with, Buyer; (ii) any claim of unfair competition or patent, trademark, copyright, or other intellectual property infringement relating to the goods and services; (iii) any death, injury, or damage to any person or property caused or alleged to have been caused by the goods or services; (iv) any negligent act, omission or wrongful intentional act on the part of Seller or any of its subcontractors; or (v) the installation, delivery, operation, or use of the goods. Buyer reserves the right to charge Seller for any losses or excess costs incurred as a result of problems or delays caused by Seller.
- 9. Inspection.** Buyer's employees and representatives may at any time enter Seller's premises to inspect and test the goods or services, Seller's process of manufacture of the goods, and any materials, components, or work-in-process that is to be used in their manufacture. If the goods or services covered by this order are to be used by Buyer directly or indirectly in connection with a contract with the United States or other government, then the United States or such other government shall have the same inspection and testing rights that Buyer has under this paragraph.
- 10. Shut Down.** If a material part of Buyer's business is shut down, permanently or temporarily, because of anything Buyer cannot reasonably control (such as casualty or labor trouble), Buyer may cancel this agreement without liability except as to conforming goods delivered to, or conforming services performed for Buyer before Buyer cancels.
- 11. Changes.** Buyer may at any time, by written notice to Seller, change this agreement as to: (i) specifications of the goods or services; (ii) time and place of delivery or performance; (iii) method of packing or shipment; or (iv) quantity of the goods or extent of the services. If this causes a change in the Seller's cost or time of performance, an equitable adjustment shall be made in the price or time for delivery or performance, or both, if Seller gives Buyer a written request for an adjustment within 20 days after Buyer notifies Seller of the change.
- 12. Termination at Buyer's Option.** (A) Buyer may terminate this order, in whole or in part, at any time by written notice to Seller stating the extent and effective date of termination. Upon receipt of the notice, Seller will, unless otherwise directed by Buyer, stop work and acquisition of materials under the order and protect property in Seller's possession in which Buyer has or may acquire an interest. Not later than 30 days from the effective date of termination, Seller may submit to Buyer its claim, if any, for reasonable compensation for termination. Buyer will have the right to audit and inspect Seller's books, records, and other documents relating to the termination claim. If the parties cannot agree within a reasonable time upon the amount of fair compensation for the termination, Buyer will pay to Seller the following amounts without duplication: (i) the purchase order price for goods or services completed in accordance with the provisions of this purchase order but not previously paid for; and (ii) the actual costs incurred by Seller and properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of the order, but not to exceed the price for the terminated portion of the order, less any payments made by Buyer. SELLER IS NOT ENTITLED TO ANY INDIRECT, SPECIAL, CONSEQUENTIAL (INCLUDING LOST PROFITS OR MARKET SHARE OR DAMAGE TO BRAND VALUE), INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES. These amounts will be payable upon delivery to Buyer of any completed goods. (B) In addition to (and not in limitation of) Buyer's other rights to terminate under these terms and conditions) Buyer may terminate this order, or any part thereof, without any further liability to Seller upon 60 days written notice to Seller.
- 13. Buyer's Rights.** Buyer may, at its option; (i) return nonconforming goods to Seller, at Seller's risk and expense, and require Seller either to give Buyer full credit against the price, or promptly to repair or replace the goods at Seller's risk and expense; (ii) retain the goods and setoff losses against any amount due Seller under this or any other agreement, order or transaction between Buyer and Seller; or (iii) repair or replace the goods and charge Seller with the expense. In addition to all other remedies available to Buyer, Buyer may terminate this order, or any part thereof, by written or facsimile notice of default to Seller signed by Buyer if at any time, (a) Seller defaults in the performance of any of Seller's obligations to Buyer, (b) Seller repudiates any contract formed pursuant to this order, (c) Seller so fails to make progress as to endanger performance of this order in accordance with its terms, or (d) Seller becomes insolvent or is subject to proceedings under any law relating to bankruptcy, insolvency, or the relief of debtors. Upon Buyer's termination of this order, Seller, to the extent demanded by Buyer, shall immediately deliver to Buyer all finished and unfinished goods, work-in-process, and raw materials acquired for use in the manufacture or processing of the goods. Payment of part or all of the purchase price by Buyer shall not be a precondition to Seller's obligation to make delivery. After Buyer's damages for Seller's breach or repudiation (including, without limitation, any cost of "cover" or of completing the manufacture or processing of the goods) are determined, Buyer shall pay to Seller any excess of the purchase price over Buyer's damages. In addition to Buyer's rights set out in these Terms and Conditions of Purchase, Buyer has all of the other rights and remedies that the law gives to buyers, including the right to recover incidental and consequential damages resulting from any breach by Seller. Buyer will not lose any right just because Buyer does not exercise the right. Buyer will have the full statutory period of limitations to bring any action arising out of Buyer's agreement with Seller. Seller, by accepting this purchase order, waives notice of breach under Michigan Compiled Laws § 440.2607 of any breach other than a breach for defective manufacturing of goods under this contract. Seller agrees that a reasonable time for Buyer to notify Seller of breach is not less than 2 years from when the Buyer discovers the breach. Buyer rejects, and Seller agrees not to attempt any limitation of Seller's liability to Buyer for breach.
- 14. Government Contracts.** If the goods or services covered by this order are to be used by Buyer directly or indirectly in connection with a contract with the United States or other government, then all terms and conditions required by the government contract or by applicable law or regulation with respect to this order ("Government Terms") are incorporated in this order by reference. If any provision of this order is inconsistent with any Government Term, the Government Term will control.
- 15. Insurance.** While any of the Buyer's tools, equipment, materials or other property remain in Seller's possession, the same shall be insured by Seller at its expense for the full replacement value against loss by theft, fire, and other casualty. Seller shall maintain insurance coverage that will fully protect both Seller and Buyer from any and all claims and liabilities of any kind or nature for property damage, personal injury, death, and economic damage, to any person, that shall arise from the goods or their use of the performance of the services or any activities connected therewith. If services are covered by this order, Seller shall maintain employee's liability and compensation insurance that will protect Buyer from any and all claims and liabilities under any applicable workers' compensation or occupational disease acts. All insurance required by this paragraph shall be in amounts and coverages and shall be issued by insurers that shall be satisfactory to Buyer. Upon request by Buyer at any time, Seller shall furnish Buyer with certificates evidencing this insurance. In the event of any claim, Seller's insurance shall be deemed to be primary.
- 16. Title; Risk of Loss; Prepayment.** Except as provided below, title to, and the risk of loss of the goods shall not pass to Buyer until delivery of the goods at Buyer's designated plant and acceptance of the goods by Buyer. Seller shall have all responsibility for and expense of preparing and filing claims against carriers for loss or damage to goods in transit. If Buyer pays any part of the purchase price of the goods before delivery to Buyer; (i) title (but not risk of loss) to the goods paid for shall pass to Buyer upon payment; (ii) to the extent necessary to protect Buyer's title in the goods, Seller grants Buyer a security interest in the goods to secure Seller's obligation to deliver them to Buyer and all of Seller's other present and future obligations to Buyer; (iii) Seller authorizes Buyer to file and shall sign and deliver to Buyer if necessary, appropriate financing statements to evidence Buyer's title to the goods; (iv) Buyer may file a photocopy of this purchase order as a financing statement; and (v) Seller will obtain from each person holding a security interest in or lien upon the goods a written agreement releasing that security interest or lien or subordinating it to Buyer's interest in the goods. The Buyer retains title to all purchased tooling and fixtures.
- 17. Work on Premises.** If performance of services by Seller involves operations by its employees or subcontractors on the premises of Buyer or of a customer of Buyer; (i) Seller shall at all times enforce strict discipline and maintain good order among all persons engaged in the services and shall cause them to comply with all fire prevention and safety rules and regulations in force at the premises; and (ii) Seller shall keep the premises free from accumulation of waste materials and rubbish caused by performance of the services and upon completion shall promptly remove all of Seller's equipment and surplus materials.
- 18. Services.** If this order covers services; (i) Seller is an independent contractor, and neither Seller nor any of Seller's employees or agents shall be considered agents or employees of Buyer; and (ii) Seller shall furnish, at Seller's expense, all labor, materials, equipment, transportation, facilities, and other items necessary to perform services.
- 19. Subcontractors.** No subcontractors shall be made by Seller with any other party for furnishing any of the goods or services without the prior written consent of Buyer. Unless otherwise specified, this paragraph shall not apply to purchases of raw materials or standard commercial items.
- 20. Engineering Information.** (A) All data, drawings, designs, software and specifications (and all information including innovations contained therein to the extent generated or developed under this order by Seller at Buyer's expense, or delivered by Buyer to Seller) shall be the property of Buyer. Any such property of Buyer may be used by Buyer for any purpose whatsoever notwithstanding any statement to the contrary appearing on any such data, drawings, designs, software and specifications. Seller shall obtain any and all licenses and rights necessary to afford Buyer the foregoing rights. (B) Any drawings, specifications, and other information and any tooling or other property that Buyer may furnish to, or acquire from, Seller in connection with Seller's manufacture of the goods or performance of the services ("Furnished Items") remain Buyer's property. Seller will maintain in good condition any Furnished items; mark the Furnished items "Property of Richard Tool & Die Corporation"; not commingle the Furnished items with property of Seller or third parties; allow Buyer to inspect and examine them at any time; and return them to Buyer upon its request. All Furnished items are confidential, and Seller will not furnish any of them, or disclose their contents, to any third party (including any of its suppliers) or use any Furnished items in the manufacture or sale of products to, or in the performance of services for, any third party. (C) Any and all disclosures made in the past or in the future by Seller to Buyer about ideas, suggestions, plans, programs, proposals, designs, layouts, constructions, drawings, tooling, formulas, and the like are submitted to Buyer on a non-confidential basis in order for Buyer to consider them. Buyer shall not be restricted in its right to use such matters in its business and in whatever manner it chooses without any obligation to Seller.
- 21. Intellectual Property Rights.** All commissions to create or contribute a specific work in this order (the "Work") are hereby accepted by Seller for value received. All material delivered to Buyer or contributed to the Work shall be reproduced and distributed by Buyer. Seller and Buyer hereby agree that Work is a "work made for hire" as the term is defined in the Copyright Law of the United States of America and that Buyer is entitled to claim authorship as defined in the Copyright Law and ownership of the copyright. To the extent not otherwise assigned by operation of law, Seller hereby assigns or agrees to assign to Buyer its entire right, title, and interest in the Work, including all copyrights and all other intellectual property rights embodied therein. All work performed by Seller in the course of Seller's performance of the services, including, without limitation, all patentable inventions, improvements, and developments, shall be the sole property of Buyer.
- 22. Survival.** The termination, cancellation or expiration of this order shall not affect any of Buyer's rights and Seller's obligations that are intended to survive and continue in effect after such termination, cancellation or expiration.
- 23. Substitution; Assignment.** No substitution of materials or accessories shall be made without prior written permission from Buyer. Seller shall not assign this order or any interest without prior written consent of Buyer.
- 24. Other Terms.** Seller shall not have and hereby waives, any security interest in or lien (including any statutory lien) upon any Furnished items or the goods. This order is neither assignable nor transferable without Buyer's written consent. Buyer may deduct from, and set off against, any amounts at any time owing to Seller under this order any damages or other amounts then owing to Buyer by Seller, whether under this order or otherwise. The Equal Opportunity Clause in Section 202 of Executive Order No. 11246, as amended, is incorporated in this order by reference. If at any time Buyer has reasonable grounds for insecurity as to Seller's performance, Seller shall provide adequate assurance of due performance within 10 days after demand by Buyer, which is agreed to be a reasonable time. Buyer's waiver of any breach by Seller of any condition or right pursuant to this order shall not be deemed a waiver as to any other breach, condition, or right.
- 25. Applicable Law.** These terms and conditions, and the agreement evidenced hereby, shall be governed by and interpreted according to the internal laws of the State of Michigan. The *United Nations Convention on Contracts for the International Sale of Goods* will not apply to this contract.
- 26. Complete Agreement.** The terms and conditions are the entire agreement between Buyer and Seller with respect to the purchase of the goods or services. Any change in, or waiver of, any provision of this agreement must be in writing signed by an authorized officer of Buyer.