

## CARRDAN TERMS AND CONDITIONS

Definitions: "Purchaser" means Carrdan Corporation

"Seller" means the person or company to whom this document is addressed.

1. Offer, Acceptance and Notification. This Purchase Order is an offer to Seller by Purchaser to enter into the agreement it describes and it shall be the complete and exclusive statement of such agreement. Seller shall accept the offer in writing or by beginning work hereunder. Acceptance is expressly limited to the terms of Purchaser's offer. Modifications proposed by Seller are not part of the agreement in the absence of Purchaser's written acceptance. Please confirm receipt, sign, and return Purchase Order to Carrdan Purchaser: 419-824-0188 via fax or [accounting@carrdan.net](mailto:accounting@carrdan.net) via email.
2. Delivery Schedules. Deliveries shall be made both in quantities and at times specified herein or on written fabrication and shipping authorization, which shall be furnished by Purchaser. Seller shall adhere to shipping directions specified on Purchaser's material releases. Purchaser shall not be required to make payment for goods delivered to Purchaser which are in excess of quantities specified in Purchaser's delivery schedules. Purchaser may change rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price of goods or services covered by this Purchase Order. Time and quantity are of the essence in any Purchase Order. Unless otherwise agreed, delivery times specified are the times of delivery of the goods at Purchaser's designated place of delivery or destination.
3. Premium Shipments. Purchaser may require shipment of any of the goods by a more expeditious method of transportation if Seller fails to meet the shipping quantities and/or timing specified in a Purchase Order or other requirements of a Purchase Order, including the requested date of shipment, and Seller will bear the cost difference of such transportation unless such failure is due to an Excusable Delay as specified in Section 18.
4. Insolvency. Purchaser may immediately cancel this Purchase Order without liability to Seller in the event of the happening of any of the following or any other comparable event: (i) insolvency of Seller; (ii) filing of a voluntary petition in bankruptcy by Seller; (iii) filing of an involuntary petition in bankruptcy against Seller; (iv) appointment of a receiver or trustee for Seller; (v) or execution of an assignment for the benefit of creditors of Seller, provided that such petition, appointment or assignment if made or filed involuntarily against Seller is not vacated or nullified within fifteen (15) days of such event.
5. Cancellation For Breach. Purchaser reserves the right to cancel all or any part of this Purchase Order, without liability to Seller, if Seller (i) repudiates or breaches any of the terms of this Purchase Order including Seller's warranties; (ii) fails to perform services or deliver goods as specified by Purchaser; or (iii) fails to make progress so as to endanger timely and proper completion of services or delivery of goods; and does not correct such failure or breach within (10) days or such shorter period of time as is commercially reasonable under the circumstances after receipt of written notice from Purchaser specifying such failure or breach.

6. Termination.

- (a) In addition to any other rights of Purchaser to cancel or terminate this Purchase Order, Purchaser may at its option, immediately terminate all or any part of this Purchase Order at any time and for any reason by giving written notice to Seller.
- (b) Upon receipt of notice of termination, Seller unless otherwise directed by Purchaser shall (i) terminate promptly all work under this Purchase Order, (ii) transfer title and deliver to Purchaser the finished work, the work-in-process and the parts and materials which Seller produced or acquired in accordance with this Purchase Order and which Seller cannot use in producing goods for itself or for others, (iii) settle all claims by subcontractors, if any, for actual costs that are rendered unrecoverable by such termination, and (iv) take actions reasonably necessary to protect property in Seller's possession in which Purchaser has an interest.
- (c) Upon termination by Purchaser under this Section, Purchaser shall pay to Seller the following amounts without duplication: (i) the purchase order price for all finished work and completed services which conform to the requirements of this Purchase order and not previously paid for, (ii) Seller's reasonable actual cost of the work-in-process and parts and materials transferred to Purchaser in accordance with subsection (b)(ii) hereof, (iii) Seller's reasonable actual cost of settling the claims of the obligation Seller would have had to the subcontractors in the absence of termination, and (iv) Seller's reasonable actual cost of carrying out its obligations under subsection (b) (iv) hereof. Purchaser's obligation upon termination under this Section shall not exceed the obligation Purchaser would have had to Seller in the absence of termination.
- (d) Within **two months** after the date of termination, Seller shall furnish to Purchaser its termination claim which shall consist exclusively of the items of Purchaser's obligation to Seller that are listed in subsection © hereof. Purchaser may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

7. Assignment. Seller shall not assign this Purchase order or claims for monies without Purchaser's prior written consent.

8. Changes. Purchaser reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by this Purchase Order including work with respect to such matters as inspection, testing or quality control, and Seller agrees to promptly make such changes. Any such changes shall be deemed not to affect time for performance or cost unless Seller notifies Purchaser in writing within ten days after mailing of any such order. Seller will not make any change in the design, processing, packing, shipping or date or place of delivery of the goods unless done pursuant to Purchaser's instructions or with Purchaser's written approval.

9. Inspection. Seller agrees that Purchaser shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of purchaser covered by this Purchase Order. Purchaser's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods. Purchaser at its option may reject and return at Seller's risk and expense, or retain and correct, goods that fail to conform to the requirements of a Purchase Order even if the nonconformity does not become apparent until the manufacturing or processing stage. Seller will reimburse Purchaser for all reasonable expenses resulting from rejection or correction.
10. Verification of Subcontracted Product. Purchaser or Purchaser's representative shall be afforded the right to certify at any subcontractor's premises and Seller's premises that subcontracted product conforms to specified requirements. Such verification shall not be used by Seller as evidence of effective control of quality by the subcontractor. Verification by Purchaser shall not absolve Seller of the responsibility to provide acceptable product nor shall it preclude subsequent rejection by Purchaser.
11. Nonconforming Goods. To the extent Purchaser rejects goods as nonconforming, the quantities under this Purchase Order will automatically be reduced unless Purchaser otherwise notifies Seller. Seller will not replace quantities so reduced without a new order or schedule from Purchaser. Nonconforming goods will be held by Purchaser for disposition in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within ten (10) days, or such shorter period as may be commercially reasonable under the circumstances after notice of nonconformity shall entitle Purchaser, at Purchaser's option, to charge Seller for storage and handling, or to dispose of the goods without liability to Seller. Upon the return of any nonconforming goods, Seller shall reimburse Purchaser for 1) any amounts paid by Purchaser on account of the purchase price of such returned goods, and 2) any costs incurred by Purchaser in connection with, but not limited to inspection, sorting, testing evaluations, storage, or rework, within ten days after a debit memo for the costs has been issued by Purchaser. Payment for nonconforming goods shall not constitute an acceptance thereof, limit or impair Purchaser's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects.
12. Warranty.
- (a) Seller expressly warrants that all goods and services covered by this Purchase Order will conform to the specifications, drawings, samples, or descriptions furnished to or by Purchaser and/or U.S. industry standards, and will be merchantable, of good material and workmanship and free from defects. In addition, Seller acknowledges that Seller knows of Purchaser's intended use and expressly warrants that all goods covered by this Purchase order which have been selected, designed, manufactured or assembled by the Seller, based upon Purchaser's intended use, will be fit and sufficient for the particular purpose intended by Purchaser. Seller hereby covenants and agrees to defend, indemnify, and hold Purchaser harmless from any claims, liabilities, damages, including special, consequential, punitive, and exemplary damages, and costs (including reasonable attorneys fees) arising in any way from any breach or alleged breach of the above warranties of the Seller whether or not such goods have been incorporated into Purchaser's products and/or resold by Purchaser.

(b) Seller represents and warrants that the prices for the goods will be no less favorable than those which Seller presently, or in the future, offers to any other customer for the same or similar goods or services for similar quantities. If Seller offers a lower price for the same or similar goods or services to any other customer during the term of the Purchase Order, then to the extent permitted by law, Seller will immediately offer Purchaser the same price for the same Goods on the same terms and conditions as was offered to the other customer.

13. Insurance. Seller shall obtain and maintain insurance coverage in amounts necessary to conform to the terms and conditions of the Purchase Order, including comprehensive general liability insurance. Seller shall furnish to Purchaser certificates of insurance setting forth the amount of coverage, policy number and date(s) of expiration for insurance maintained by Seller and, if further requested by Purchaser, such certificates will provide that Purchaser shall receive thirty (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of coverages.

14. Compliance. Seller agrees to comply with all federal, state, and local laws, Executive Orders, rules, regulations and ordinances which may be applicable to Seller's performance of its obligations under this Purchase Order, and this Purchase Order shall be deemed to incorporate by reference all the clauses required by the provisions of said laws, orders, and regulations.

15. Shipping.

(a) Seller agrees (a) to properly pack, mark and ship goods in accordance with the requirements of Purchaser and involve carriers in a manner to secure the lowest transportation cost; (b) to route shipment in accordance with Purchaser's instructions; (c) to make no charge for handling, packaging, storage, transportation or drayage of goods unless otherwise stated in this Purchase Order; (d) to provide with each shipment papers showing the Purchaser's part number, Seller's part number where applicable, quantity of pieces in shipment, number of cartons or containers in shipment, Seller's name and number and the bill of lading number; and (e) to promptly forward the original bill of lading or other shipment receipt for each shipment in accordance with the Purchaser's instructions and carrier requirements. The marks on each package and identification of the goods on packing slips, bills of lading, and invoices shall be sufficient to enable Purchaser to easily identify the goods purchased. Seller shall include Material Safety Data Sheets with the shipping documents for all applicable items. Seller shall comply with all applicable federal, state, provincial, and local laws and regulations pertaining to product and warning labels. Seller shall provide NAFTA and IMDA data to enable Purchaser to meet federal and/or foreign requirements regarding origin of manufacture and materials used in the manufacture of Goods contracted by Purchaser.

(b) Shipments without tare weight will not be accepted; Purchaser will accept exact shipments only, and Purchaser shall not be responsible for payment for any quantities shipped in excess of the quantity ordered. Unless Seller has received Purchaser's prior approval to use its own routing and delivery process, Seller shall ship via designated routing instructions only; contact operations staff at (419) 824-0111 for instructions. Failure to ship via designated instructions will result in a charge back to the Seller of the difference between costs that would have resulted from instructions and

actual costs, which difference shall be deducted from the amount due to the Seller from this Purchase Order.

- (c) Seller agrees to use only approved and designated freight forwarder.

16. Invoices

(a) The payment date is set based on the date product is received by Carrdan Corporation. Terms shall be 1% - 10 days, Net 30 unless otherwise negotiated and set forth on the face of the Purchase Order. Time for payment shall not begin until correct and complete invoices are received, and Seller's discount privileges to Purchaser shall be extended until such time as payment is due. Purchaser may withhold payment pending receipt of evidence, in such form and detail as Purchaser may direct, of the absence of any liens, encumbrances and claims on the goods and services under this Purchase Order.

(b) Purchaser will have the right at any reasonable time to send its authorized representatives to examine all pertinent documents and materials in the possession or under the control of Seller relating to any of Seller's obligations under a Purchase Order or any payments requested by Seller pursuant to a Purchase Order. Seller shall maintain all pertinent books and records relating to a Purchase Order for a period of two years after delivery of Goods pursuant to that Purchase Order.

(c) Seller agrees that all its accounts with Purchaser will be administered on a net settlement basis and that Purchaser may set off and recoup debits and credits, including Purchaser's attorney fees and costs of enforcement, against any of Seller's accounts regardless of basis for such debits or credits and without additional notice. For purposes of this paragraph, "Purchaser" includes Purchaser's parent, subsidiaries and affiliates, and "Seller" includes Seller's parent and subsidiaries.

17. Applicable Law – Arbitration This Purchase Order shall be governed by the laws of the State of Ohio without regard to its conflicts of laws provisions. Disputes arising from the Purchase Order shall be finally settled by arbitration before the American Arbitration Association, pursuant to its commercial arbitration rules then in effect. The decision of the arbitrator shall be final and binding upon Purchaser and Seller, shall not be appealable, and judgment on the award rendered may be entered in any court of competent jurisdiction.

18. Excusable Delay Neither the Purchaser nor the Seller shall be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence, including labor disputes of any kind. The party claiming the excusable delay shall give notice in writing as soon as possible after the occurrence of the cause relied on and after termination of the condition. During the period of delay or failure to perform by Seller, and a reasonable period of time thereafter, Purchaser at its option may purchase goods from other sources and reduce this Purchase Order by such quantities without liability to the Seller. The change in cost or availability of materials, components, or services based on market conditions, supplier actions or contract disputes (other than labor disputes) will not excuse performance, and Seller assumes these risks.

19. Patents, Trademarks, and Copyrights Seller has no knowledge of any patent or trademark infringement and shall at its expense defend, indemnify and hold Purchaser harmless with respect to every claim that may be brought against Purchaser or others that use the goods of a Purchase Order, for any alleged infringement of any present or future patent, copyright, industrial design right or other proprietary right based on Seller's activity under a Purchase Order.

20. Entire Agreement This Purchase Order, together with the attachments, exhibits, or supplements, specifically referenced in this Purchase Order, constitutes the entire agreement between Seller and Purchaser with respect to the matter contained herein and supersedes all prior oral and written agreements. This Purchase Order may only be modified by a purchase order amendment/alteration issued by Purchaser.
21. Remedies The individual remedies reserved in a Purchase Order will be in addition to any remedies provided by law. No waiver of any breach of any provision of a Purchase order will constitute a waiver of any other breach of such or any other provisions.
22. Customer Requirements As directed by Purchaser on the Purchase Order or in separate writing, Seller agrees to comply with the applicable terms of any agreements between Purchaser and its customer(s) to which Purchaser provides the goods (as incorporated into products supplied to such customer(s)). Purchaser may in its discretion supply Seller with information regarding purchase orders from its customer(s). Seller will be responsible for ascertaining how such customer purchase order information affects Seller's obligations under Purchaser's Purchase Order, and Seller will meet all such disclosed customer terms to the extent within Seller's control. In the event that Purchaser's customer files or has filed against it a petition in bankruptcy or insolvency and, in the course of such proceeding and in connection with actual or threatened termination by the customer of its contract(s) with Purchaser (by rejection or otherwise), Purchaser permits a reduction in the price(s) paid to Purchaser for products incorporating the Goods, the price paid to the Seller for the Goods from and after the date of such reduction will be automatically adjusted proportionally by the same percentage as the price paid to Purchaser by its customer, and the Order will otherwise remain in effect without modification. By written notice to Seller, Purchaser may elect to have the provisions of this Section prevail over any conflicting term between the Purchaser and Seller. If Purchaser's customer directed, recommended, requested, suggested, or otherwise identified Seller as the source from whom Purchaser is to obtain the Goods: (a) Purchaser will pay Seller for the Goods only following and to the extent of Purchaser's actual receipt of payment from that customer for those goods in which the specific Goods are incorporated, and any lengthening of that customer's payment terms to Purchaser will automatically lengthen the payment terms as between Purchaser and Seller by an identical amount of time; (b) within three business days of any change in price, specifications or other terms negotiated or proposed between Seller and the customer, Seller will notify Purchaser in writing and will immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on Purchaser without Purchaser's specific written consent.