

Pollington Machine Tool, Inc. Standard Terms of Purchase

All Pollington Machine Tool, Inc. ("Buyer") Purchase Orders ("Order") are subject to these Standard Terms of Purchase ("Standard Terms"). In these Standard Terms, "goods" and "services" refer to the goods and/or services described on the face of this order to be purchased by the Buyer from the seller named on the face of this order ("Seller"). Buyer and Seller may also be referred to as Party or Parties in these Standard Terms. The Order, together with these Standard Terms and any documents incorporated herein by reference, constitutes the entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to any subject matter of the Order. The Order expressly limits the Sellers acceptance to the Standard Terms of the Order. These Standard Terms prevail over any terms and conditions contained in any other documentation and expressly exclude any of the Sellers general terms and conditions of sale or any other document issued by Seller in connection with this Order.

1. Acceptance and Term.

- a. By signing and returning a copy of this order, by shipping the goods and/or performing the services, or by any other conduct that recognizes existence of a contract, Seller accepts and assents to all the Terms contained in the Order. Notwithstanding the foregoing, if the Seller does not accept the Order in writing within five (5) business days of Sellers receipt of the Order, the Order will be deemed as accepted by the Seller.
- b. The Term of the order:
 - i. Shall extend from the date of acceptance by the Seller to the completion and delivery of goods and/or services and acceptance of the goods and/or services by the Buyer.
 - ii. Or, when the goods and/or services being purchased are for use in a mutually understood defined long term Program, for the Life of the Program. Unless another specific term is specified, the Life of the Program is defined by the end customer and may be shortened or lengthened from that which was estimated at the onset of the Program. Life of Program is acknowledged by both parties even in the absence of a separate long term supply agreement. Life of Program includes service period of fifteen (15) years from the end of program. Unless otherwise agreed to in writing by Buyer, the price during the first five (5) years of service shall be the last price in effect prior to the conclusion of the program, plus applicable special (service) packaging. For the remainder of the fifteen (15) year period, the price shall be increased only by mutual agreement between Buyer and Seller.

2. Time, Quantity, and Quality.

- a. Time is of the essence. Seller shall deliver good or complete contracted services by the specified time in the Order. If delivery is not timely made, Buyer may, in addition to its other rights and remedies, direct Seller to make expedited routing at Sellers sole expense. Seller will promptly notify Buyer of any circumstance which is causing delay or may cause delay in timely performance of the Order. Buyer reserves the right to reject goods delivered early and return those goods to Seller at Sellers expense.
- b. Quantity.
 - i. Shortages. Shortages in Order quantities will be viewed as late delivery. The Buyer, in addition to its other rights and remedies, and at its sole discretion, may accept the shortage and pay only for the quantity delivered, accept the shortage and require the Supplier to complete the Order in an expedited manner at the Sellers expense, or reject the delivery entirely and may cancel the Order.
 - ii. Excesses. If the Seller produces in excess of the quantity specified on the Order, it does so at its own risk. If excess quantity is produced and/or delivered, the Buyer, in addition to its other rights and remedies, and at its sole discretion, may accept and purchase the excess quantity, reject the excess quantity and return it to the Seller at the Sellers expense, or reject the delivery entirely and may cancel the Order.
- c. Quality. The Seller shall provide all goods and/or services in compliance with the Buyers specifications. If Seller provides non-conforming goods, the Buyer, in addition to its other rights and remedies, may require the Seller to accept return of goods at Sellers expense, require Seller to rework goods at Sellers expense, or reject the entire quantity delivered and may cancel the Order. Acceptance of delivery does not constitute acceptance of the goods delivered.
- d. Buyer reserves the right to right, with reasonable notice, to inspect Sellers facilities, equipment, goods and materials to verify Sellers ability to comply with Buyers delivery and quality requirements.

3. Delivery.

- a. Unless stated otherwise on the face of this Order, Seller shall deliver goods DDP (Incoterms 2020) at Buyers facility, except that if Buyers facility and Sellers facility (from which the goods will be shipped) are both located in the United States, then Seller shall delivery FOB (Uniform Commercial Code) Buyers facility. Title and risk of loss or damage remain

with the Seller until delivery is made in accordance with the Order. Seller shall insure all shipments for the full value of the Goods for the benefit of the Buyer.

- b. All Goods shall be packaged for shipment according to the Buyers instructions, or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller is liable for packaging related losses regardless of specified shipping term and title transfer.
- c. Seller will provide documentation to Buyer with each shipment showing Buyers purchase order number, part number(s), number of parts and containers in shipment, Sellers name and bill of lading number in accordance with Buyers instructions.

4. Price.

- a. Unless otherwise stated on the Order, Seller will furnish the goods and/or services at the price set forth in the Order. The price set forth in the order is the complete price and includes, without limitation, all service fees, surcharges, packaging, and shipping costs. No increase in price is effective, whether due to increased material, labor or transportation cost or otherwise without prior written consent of the Buyer.
- b. Seller warrants that the price for the goods and/or services is no less favorable than those currently extended to any other customer for the same or similar goods and/or services. Buyer shall also receive the full benefit of discounts, premiums or other favorable terms of payment customarily offered by Seller to its customers for the same or similar goods and/or services.
- c. Seller will not be paid for any goods delivered or services performed that have not been authorized by an approved purchase order or in writing by an authorized representative of the Buyer.

5. Warranties. Seller represents, warrants and agrees that (i) the goods shall be new, (ii) the goods and services shall be merchantable, of good material, workmanship and quality, fit the purposes for which the Buyer intends them and free from faults and defects, (iii) the goods and services shall conform to any samples, drawings, specifications, performance criteria standards or other requirements that are referred to on the face of this order or that the Buyer has otherwise specified or agree to in writing, and (iv) the goods, their manufacture and sales and the services shall comply with all applicable foreign and domestic federal, state and local laws, regulations, standards and orders, including, without limitation, the Fair Labor Standards Act of 1938 and the Occupational Safety and Health of 1970. Buyer's approval of a sample, drawing, specification or standard shall not relieve the 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. Buyer's inspection of or payment for the goods or services does not constitute acceptance. Seller's warranties extend to future performance of goods and services and survive inspection, tests, and acceptance of payment. The warranty period shall be the longer of the warranty period provided by law or the warranty period offered by Buyer or its Customer to the end-user of the product in which the goods are installed. Seller's contracts with subcontractors shall provide Buyer and Buyer's Customers with all the rights that they have under the contract.

6. Buyers Customer and Directed Buy Status.

- a. Seller agrees to comply with the applicable terms and conditions of any agreements ("Customer Agreements") received by Buyer from third party (each a "Customer"), in which Buyer agrees to supply to Customer, goods purchased by Buyer from Seller. Buyer may provide Seller with information regarding the Customer Agreements, but Seller shall be responsible for ascertaining any terms and conditions contained in the Customer Agreements that may affect Seller's obligations under the order. Seller will make every reasonable effort to enable Buyer to meet the terms and conditions of the Customer Agreements. If this section conflicts with any other paragraph in the order, Buyer has the right to elect to have the provisions of this section prevail.
- b. In the event the Buyers Customer requires the Buyer to source production of certain goods and/or services to Seller (each, a "Directed Buy"), Seller acknowledges that, notwithstanding Seller's negotiations with Buyers Customers, these terms shall apply to all production of Directed Buy goods and/or services as between Buyer and Seller. Further, Seller acknowledges and agrees that it shall indemnify ad hold Buyer Harmless from any commercial issue that arises out of the supply of Directed Buy goods and/or services, which shall be resolved between Seller and Buyers Customer directly. Sellers shall not be entitled to cease or withhold the timely supply of any goods and/or services under any circumstances, including, without limitation, any related commercial issues, which includes related commercial issues between Seller and Buyers Customer on a Directed Buy good or service.

7. Payment Terms. Payment Terms, including discount periods, shall run from the latest of (i) the scheduled date for delivery or performance, (ii) the actual date of delivery of conforming goods or performance of conforming services, (iii) the date of Sellers Invoice, (iv) in the case of capital equipment, the completion of the Buyers final inspection and acceptance after installation, and (v) in the case of tooling, approval by Buyer of production parts produced by the tooling.

8. Buyer's Property.

- a. The right, title and interest, without limitation, to all supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs, drawings, specifications, spare parts, trial parts, ancillary products, items owned by Buyer and other items ("Tools") for the use in manufacturing goods under the order shall be and remain the property of the Buyer.

- b. Seller shall (i) not use the Tools any purpose other than for the performance of the order, (ii) maintain the tools sufficiently to support production requirement over life of program and service, (iii) adequately insure tools against loss or damage up to full replacement value with Buyer named as additional insured, (iv) not move tools to another location, whether owned by seller or third party without the prior written consent of the Buyer (except, in case of an emergency, Seller may move the tools provided that it gives Buyer notice, within 60 days, that tools have been moved and the location of the tools).
- c. Upon written request, Seller, at its expense, shall deliver tools to Buyer as soon as practicable.

9. **Insurance.** 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 or economic damage, to any person, that shall arise from the goods or their use or the performance of the services or any activities connected with the services. Seller shall maintain employee's liability and compensation insurance that will protect Buyer from any and all claims and liabilities made by Seller or any employee or agent of Seller under any applicable worker's 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 the Buyers in Buyers sole discretion. All policies shall name Buyer and (if requested by Buyer) Buyers customer as additional insureds and loss payees and shall provide that Buyer shall receive 30 days prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. Upon request of Buyer at any time, Seller shall furnish Buyer with certificates evidencing required insurance.

10. **Indemnity.** Seller shall indemnify and hold Buyer and its directors, officers, employees, direct and indirect Customers, and end-users of the goods ("representatives") harmless (and defend Buyer and its representatives if it requests) as to any claims, liabilities, losses, damages and expenses (including, without limitation, actual attorney's fees and other legal expenses) brought against or incurred by Buyer or its representatives because of (i) any breach by Seller of any of its warranties to, or agreements with, Buyer, (ii) any claim that any of the goods or services infringes any patent, trademark, copyright or other intellectual property right, anywhere in the world or (iii) any death, injury or damage to any person or property alleged to have been caused by the goods or services or by Seller's manufacture of the goods or performance of those services.

11. **Limitation of Buyer's Liability.** BUYER'S ENTIRE LIABILITY TO VENDOR OR ANY THIRD PARTY, IF ANY, FOR ANY CLAIMS, DEMANDS, CAUSES OF ACTION, ARISING IN TORT, CONTRACT, OR OTHERWISE, INCLUDING WITH RESPECT TO ANY STATUTORY CLAIM, IS LIMITED SOLELY TO THE PRICE ACTUALLY PAID BY BUYER UNDER THESE TERMS. NOTWITHSTANDING THE FOREGOING LIMITATION, BUYER SHALL NOT BE LIABLE TO VENDOR FOR SPECIAL, INDIRECT, ECONOMIC, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING UNDER THESE TERMS, OR OTHERWISE, WITH RESPECT TO THE SALE, PURCHASE, OR USE OF THE GOODS OR SERVICES, INCLUDING ANY LOST REVENUE OR PROFITS, BUSINESS INTERRUPTION OR DAMAGE TO BUSINESS REPUTATION, REGARDLESS OF THE THEORY UPON WHICH ANY CLAIM MAY BE BASED, INCLUDING, WITHOUT LIMITATION, TORT, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, PRODUCT LIABILITY OR ANY STATUTORY CAUSE OF ACTION.

12. **Work on Premises.** If performance of services or delivery or installation of goods by Seller involves operations by its employees or subcontractors on the premises of the Buyer or of a Customer of the Buyer, then (i) Seller shall at all times enforce strict discipline and maintain good order among all persons engaged in the activity on the premises 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 its employees and subcontractors and upon completion shall promptly remove all of Seller's equipment and surplus materials.

13. **Confidential Information.** All information provided by Buyer to Seller, including, without limitation, specifications, drawings, inventions, technical data, samples, present or proposed products, customers, strategies, plans, finances, know-how, sales and marketing or sales techniques ("confidential information") disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form of media, and whether or not marked, or otherwise identified as confidential information, shall be held in confidence by the Seller. Such information shall not be reproduced, used or disclosed by Seller without Buyer's prior written consent.

14. **Intellectual Property.** All inventions (whether or not patentable), devices, technologies, ideas, improvements, processes, systems, copyrights in any copyrightable works, trademarks, trade names, trade dress, service marks, names, software and other works and matters created or developed by Seller in course of the Seller's performance of the services or Seller's design or development of the goods for Buyer, including all proprietary rights in the foregoing ("Intellectual Property") shall be the sole property of Buyer, and Seller assigns, and agrees to assign, to Buyer all right, title and interest that Seller now has or in the future acquires in the Intellectual Property.

15. **Termination and Transition of Supply.**

- a. The Buyer has the right to terminate the order at any time for any reason including, without limitation, Breach, Seller insolvency, bankruptcy, or liquidation, or convenience. Upon notice of termination, Seller will immediately cease production of goods or activities of service. Buyer is liable only for goods completed and delivered or services fully rendered at the time of termination.
- b. Upon termination Seller agrees to take such action as may reasonably be required by Buyer to accomplish the transition from Seller to alternative seller, including, without limitation, the actions set forth below. The term "alternative seller" expressly includes, but is not limited to, a Buyer-owned facility.

- i. Seller shall provide all notices necessary or desirable for Buyer to resource the order to an alternative seller;
- ii. Seller shall provide a sufficient bank of goods or continuance of services sufficient to support the time necessary for a successful transition to alternate seller.
- iii. Seller shall provide to Buyer all Buyers property and any other property furnished by or belonging to Buyer or any of Buyer's Customers in as good of condition as when received, purchased or fabricated by Seller (with reasonable and expected wear from production usage).
- iv. Seller shall, at Buyer's option: (1) assign to Buyer any or all supply contracts or orders for raw materials or components relating to the order; (2) sell to Buyer, at Seller's cost, any or all inventory or work-in-process relating to the order; and (3) sell to Buyer, at unamortized portion of the cost of such items, less any amounts Buyer previously paid to Seller for the cost of such items, any or all property owned by Seller (except for Buyer's items, which or will be, as detailed, above, Buyer's property) related to production under the order.

c. Seller's rights to termination are limited solely to Buyer's breach of contract.

16. Governing Law, Severability and Survival.

- a. Governing Law. This order and the contract shall be governed by, and interpreted according to, Michigan law, excluding its choice of law rules. Any action based upon or arising out this order or Contract must be brought in either a state court of competent subject matter jurisdiction located in Osceola County, Michigan, or any federal court of competent subject matter jurisdiction located in the Western District of Michigan. Seller irrevocably consents to personal jurisdiction in such courts and waives any objection that such courts are an inconvenient forum. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this order or Contract.
- b. Severability. If any term or provision of this Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of these Standard Terms or invalidate or render unenforceable such term or provision in any other jurisdiction.
- c. Survival. Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order include, without limitation, Set-off, Warranties, Indemnification, Intellectual Property, Insurance, Compliance with Laws, Confidentiality, Governing Laws, Submission to Jurisdiction and Survival.