

GENERAL TERMS AND CONDITIONS

- 1) **Acceptance.** All orders received by Seller are subject to final acceptance by Seller and no terms or Orders are binding upon Seller until so accepted in writing by Seller.
- 2) **Price.** Published prices are subject to change without notice. All prices are Incoterms 2010 ExWorks Seller's plant and do not include transportation costs or charges relating to transportation, which costs and charges shall be solely the responsibility of Purchaser. Prices quoted include standard packing according to Seller's specifications. Special packing requested by Purchaser, including packing for exports shall be paid by Purchaser as an additional charge.
- 3) **Taxes.** All Federal, State, and Local taxes or Foreign authority (including without limitation sales, use, and excise taxes) which Seller is required to pay or collect, shall be paid by Purchaser. These additional charges can include delivery, storage, processing, use, transportation. Amounts covered shall be added to the price, or billed as a separate item, as the law may require or as the Seller may determine. On shipments to Buyer outside the United States, Buyer shall pay directly any customs, duties, and related charges or assessments by any government entity.
- 4) **Credit Terms and Terms of Payment.** Credit accounts will be opened only with firms or individuals approved by Seller. Purchaser shall have thirty (30) days from date of the invoice in which to make full payment. Buyer shall pay the Seller interest at the rate of one and one-half percent (1.5%) per month or the highest lawful rate of interest permissible under applicable law, whichever is less, on all past due accounts. All payments by Buyer to Seller hereunder shall be in U.S. Dollars (\$US). The Seller reserves the right at any time to suspend credit, to change credit terms provided herein, to suspend performance, to decline to ship, or to stop any goods in transit when, in its sole opinion, the financial condition of the Buyer so warrants. In any such case, in addition to any other remedies provided by law, Seller may terminate any contract between Buyer and Seller. Failure to pay any invoice when due makes all prior and subsequent invoices immediately due and payable, irrespective of terms, and the Seller may withhold all subsequent deliveries and terminate any services until the full account is settled. Buyer shall reimburse Seller for the costs of collection, including, without limitation, reasonable attorney's fees, of any overdue amount owed by Buyer to Seller, and such collection costs shall also be subject to carrying charges. Acceptance by the Seller of less than full payment shall not be a waiver of any of its rights.
- 5) **Risk of Loss, and Title Passing.** The risk of loss of the goods shall pass to the Purchaser as soon as they are deposited with the carrier for shipment. Unless otherwise noted, all sales of goods are made via Incoterms 2010 ExWorks (EXW). Title shall pass upon goods deposited with the carrier for shipment.
- 6) **Shipment.** All shipments shall be Incoterms 2010 ExWorks Seller's plant and the date of shipment shall be contingent upon the date of acceptance of Seller's offer. Delivery dates given in advance of actual shipment of goods are estimates and shall not be deemed to represent guaranteed delivery dates. Seller's obligation with respect to shipment of the goods shall not extend beyond: a) putting the goods in the possession of such a carrier and making a contract for the transportation thereof, b) obtaining and delivering such documents as may be necessary for Purchaser to obtain possession of goods and of notifying the Purchaser of the shipment. Seller shall have the right to ship all or portions of the goods at one time. This contract shall be deemed separable as to the goods sold.
- 7) **Inspection and Acceptance.** Purchaser shall have the right to inspect the goods upon receipt of them. Failure to inspect the goods or failure to notify the Seller in writing that the goods are nonconforming within ten (10) days of receipt of the goods by Purchaser shall constitute a waiver of Purchaser's rights for breach of warranty and a waiver of Purchaser's right of inspection and rejection for nonconforming and shall be irrevocable acceptance of the goods by Purchaser.
- 8) **Excusable Delays.** Seller shall not be liable for delays or failure to perform due, directly or indirectly, to causes beyond Seller's control, including the inability of Seller's suppliers to deliver goods, services, or raw materials necessary for Seller to perform an Order, acts (including failure to act) of any governmental authority, war (declared or undeclared), strikes or other labor disputes, fires, explosions, acts of God, and natural calamities (such as floods, earthquakes, storms and epidemics).

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- 9) **Warranty.** Seller warrants that the goods sold shall, at the time of Buyer's possession conform to Seller's published specifications. Buyer shall report any claimed defect in writing to Seller within forty-five (45) days of receipt of goods, and Seller shall elect either to inspect, repair or replace nonconforming goods (the Remedy). The Remedy is Seller's sole obligation, and Buyer's exclusive recourse, for all claims of defects with respect to any goods. If the Remedy is adjudicated insufficient however, Seller shall refund the purchase price paid without any further liability to Buyer relating to the subject goods. Buyer shall pay costs of returning goods under a warranty claim, and Seller shall pay the costs of sending goods to Buyer after Remedy is performed. **SELLER MAKES NO OTHER WARRANTY OF ANY KIND WITH RESPECT TO THE GOODS OR SERVICES. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, and NONINFRINGEMENT, ARE HEREBY DISCLAIMED.**
- 10) **Limitation of Liability.** Seller shall in no event be liable for claims for consequential, incidental, indirect, special or punitive damages arising out of or relating to this sale including, but not limited to, claims based upon loss of use, lost profits or revenue, interest, lost goodwill, work stoppage, impairment of the other equipment, environmental damages, loss by reason of shutdown or non-operation, increased expenses or operation, or re-procurement costs, and claims relating to service interruption, whether or not the claimed loss or damage is based on contract, tort (including negligence and strict liability) or otherwise. **SELLER'S MAXIMUM LIABILITY UNDER OR IN ANY WAY RELATING TO THIS SALE SHALL NOT EXCEED THE PRICE PAID FOR THE GOODS UPON WHICH THE CLAIMS ARE BASED.** All such liability shall terminate one year from Delivery, if not sooner terminated.
- 11) **Assignment.** No right or interest in this contract shall be assigned by Purchaser, and no delegation of any obligation owed by Purchaser shall be made without the written permission of Seller.
- 12) **Cancellation and Changes.** Purchaser may not cancel or change an Order once placed with and accepted by Seller except with the prior written consent of Seller and upon terms that will indemnify Seller against any loss.
- 13) **Alteration, Interpretations and Definitions.** This contract is intended by the parties as a final expression of their Agreement and as complete and exclusive statement of the terms of their Agreement. Acceptance or acquiescence in a course of performance rendered under this contract shall not be relevant to determine the meaning of this contract. Waiver by Seller of a breach by Purchaser of any provision of this contract shall not be deemed a waiver of future compliance therewith, and such provision shall remain in full force and effect. These terms and conditions take precedence over any inconsistent, different or additional terms contained in prior correspondence between the parties unless expressly agreed to in writing by Seller. This contract shall be governed by law of Oregon.
- 14) **Limitations.** Any action by Purchaser under this Order or relating to products must be commenced within one (1) year after acceptance by Seller of the respective Order at issue.
- 15) **Disputes.** All disputes under any contract concerning product not otherwise resolved between Seller and Purchaser shall be resolved in a court of competent jurisdiction servicing the Seller's manufacturing plant's location. Purchaser hereby consents to the jurisdiction of such court, and agrees to appear in any action upon written notice. If any part or parts of these Terms and Conditions are found void or unenforceable, the remainder of the Terms and Conditions shall be enforceable to the fullest extent allowed by law.
- 16) **Special Note.** Nearly all Toyo Tanso products are subject to US Export Control laws, controlled through the Bureau of Industry and Security. Your right to export or re-export such products from the US is limited by such export controls. TTU products may not be exported, except in Compliance with US Export Control Laws.
- 17) **Selection and Application: Indemnity.** Buyer is solely responsible for proper selection and application of goods sold by Seller, and Buyer agrees that it will use and apply such goods only for such uses as may be described by Seller and according to specifications and limitations established by Seller from time to time. Buyer shall indemnify and hold Seller harmless from and against any and all damages, claims, or expenses (including reasonable attorney's fees and costs, both at trial and in any appeal) arising out of or relating to improper selection, application, or abuse of the goods sold by Seller, or use or application of Seller's goods other than according to specifications and limitations established by Seller from time to time.

IMPORTANT

TOYO TANSO QUOTATION SUPPLEMENT

A. TERMS AND CONDITIONS

- Prices quoted are in U.S. dollars; Ex-Work TTU
- In the event of non-conforming product, TTU assumes responsibility only for repair or replacement of the parts supplied. All other claims excluded. This guarantee expires (45) days from the date of product receipt by purchaser.
- In the case of order cancellations, the buyer shall pay the sale price for all goods which have been completed. All other work in process will be charged in proportion to the degree of completion at the date of receipt of such cancellation.
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B. STANDARD MACHINING PRACTICES

Unless otherwise specified on the product drawings or on the customer Purchasing Order:

- Drafting standard specified by the ANSI Y14.5m shall be used to interpret drawings.
- Tolerances: The ISO Medium Series in accordance with International Standard 2768-1 will be used.
- **Dimension Number Rounding Rules:**
 - **The number of the dimension decimals will be reported as they are called out on the drawings.**
 - **If the dimension number is followed by 5, 6, 7, 8, or 9, the number will be rounded up to the nearest integer, ten, hundred and thousand**
 - **If the dimension number is followed by 0, 1, 2, 3, or 4, the number will be rounded down to the nearest integer, ten, hundred and thousand**
- For traceability, whenever possible, the product identification will be scribed with a unique identification number in an appropriate location selected by Toyo Engineers.
- Sharp edges and corners will be broken .030" maximum.
- Fillets will be maximum R .032"
- Thread pitch used will be UNC or metric coarse unless otherwise specified.
- Thread will be chamfered. Maximum chamfer size will be equal to the thread pitch.
- Effect threads length (depth) will be held to $\pm .031$ " tolerance + 1 ½ full thread.
- Surface finish milled, turned will be Ra =125 micro inch maximum.
- Surface finish sanded will be 250 micro inch maximum.
- Surface finish for saw cut will be 500 micro inch maximum.
- Unless otherwise noted, Toyo Tanso USAs quoted tolerances will be consistent with the latest referenced drawing standards current at the time of contract review.