



Bashlin Industries Inc. Terms and Conditions of Purchase

This order is subject to the following terms and conditions and by accepting the order or any part thereof, the seller agrees to and accepts said terms and conditions. Any reference to "buyer" refers to us, Bashlin Industries and any reference to "seller" refers to you, the vendor.

1-19 West Pine Street, P.O. Box 867
Grove City, PA 16127

Indemnification and hold harmless

The seller agrees to indemnify and save harmless Bashlin Industries Inc. and its agents, representatives, and employees from any and all charges, claims and causes of action by third persons, including, but not limited to agents, representatives and employees of the seller and of Bashlin Industries Inc. Based upon or arising out of any damages, losses, expenses, charges, costs, injuries or illness sustained or incurred by such person or persons resulting from or in any way, directly or indirectly, connected with the performance or nonperformance of this agreement, or the product or material provided for hereunder, or the performance of or failure to perform any work or other activity related thereto, provided, however, that notwithstanding the foregoing, the seller does not agree to indemnify and save harmless Bashlin Industries Inc. Its agents, representatives and employees from any charges, claims or actions based upon or arising out of any damages, losses, claims, expenses, charges, costs, injuries or illness sustained or incurred as the sole result of the negligence of Bashlin Industries Inc. its agents, representatives or employees.

In the event a claim is filed against Bashlin Industries Inc. For which the seller is to be held liable under the terms of this agreement, Bashlin Industries Inc. will promptly notify the seller of such claim and will not settle such claim without the prior written consent of the seller. Seller also agrees to list Bashlin Industries Inc. as an additional insured party for either public or general liability.

Seller shall maintain commercial general liability insurance, including products liability, in amounts not less than U.S. \$1 million per occurrence and U.S. \$2 million aggregate. Seller shall name buyer as an additional insured under such policy (broad form seller endorsement, if applicable), waive subrogation against buyer, and provide buyer with a certificate of insurance evidencing the same upon request. These insurance requirements do not in any way limit Seller's indemnification obligations.

Basis of the sale

Purchase of any products or services is expressly conditioned on seller's assent to these Terms and Conditions. Acceptance is expressly limited to acceptance of these Terms and Conditions and buyer expressly objects to any additional or different terms proposed by seller. No seller form shall modify these Terms and Conditions, nor shall any course of performance, course of dealing, or usage of trade operate as a modification or waiver of these Terms and Conditions. Any delivery of products or provision of services shall constitute seller's assent to these Terms and Conditions.

Orders and specifications

Buyer reserves the right to modify the purchase order with respect to quantities, delivery schedules and/or specifications as desired by buyer by issuing one or more change orders to seller. Seller shall not make any changes to purchase orders or affecting the products or services without the prior written consent of buyer, which shall be withheld in its sole discretion.

All pricing on purchase orders is final. Buyer does not acknowledge any written confirmation with pricing changes until a purchase order revision is completed and provided to seller. Buyer will not be obligated to pay and will not process payment for any invoice that does not match the price set forth on the corresponding purchase order. Seller warrants that the prices and terms on which it supplies products and services to buyer are no less favorable than those offered to other customers purchasing in similar quantities. Seller agrees to immediately reduce the price if it charges any customer purchasing in similar volume a lower price.

Terms of payment

Seller shall invoice buyer on completed delivery of the goods or services. Unless otherwise agreed to in writing, the buyer's payment terms are 45 days following the date buyer receives an accurate and complete invoice, payable in U.S. Dollars.

Delivery, Title, Risk of Loss

Time is of the essence with respect to delivery of products or performance of services. Seller shall make no partial delivery or delivery before the date(s) stated on the purchase order, unless authorized by the buyer. Buyer may terminate any order where delivery or performance is late or incomplete. Title to, and risk of loss, for all products sold to the buyer shall pass to the buyer only after unloading products at the delivery location selected by buyer. Unless otherwise noted on the purchase order, products shall be shipped by seller Delivered Duty Paid (DDP) to the destination specified on buyer purchase order, and services shall be performed at the buyer location identified in the applicable purchase order.

Seller shall pack, mark and ship products in accordance with sound commercial practices and seller's specifications in such a manner as to prevent damage during transport and shall be clearly marked as destined for buyer. Unless otherwise noted on the purchase order, all purchases are for resale or use in manufacturing and no sales or use tax shall be charged. Seller is responsible for obtaining from buyer any required certification. Any sales or use tax or any other tax charged by seller shall be set forth on a separate line item on the invoice.

Notwithstanding payment, passage of title or prior inspection, all products and services are subject to final acceptance or rejection by buyer at the delivery destination. constitute buyer's sole and exclusive liability and obligation with respect to cancellation of any order.

724.458.8340 BASHLIN@BASHLIN.COM
WWW.BASHLIN.COM



Bashlin Industries Inc. Terms and Conditions of Purchase, Continued.

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Warranties, liability and returns

In addition to all warranties provided under the Uniform Commercial Code and/or other applicable laws, seller warrants that all products and services furnished shall conform to all applicable specifications, be new, merchantable and of good workmanship and quality, free of all defects, liens and encumbrances and fit for the ordinary purposes for which the products or services are used. Seller also warrants that the products and services shall comply with all applicable laws, codes, regulations and standards, shall not infringe the intellectual property rights of any third party and with respect to services, will be conducted with due skill and care.

In addition to all rights and remedies available under the Uniform Commercial Code and/or other applicable laws, if seller breaches any warranty, buyer may, at its election and in addition to any rights or remedies it may have: (i) return such items to seller at seller's risk and expense; (ii) require seller, at its expense to promptly replace or correct such items; (iii) pending redelivery, require repayment of any amounts paid for returned items; (iv) effect cover by purchase or manufacture of similar items or repair such items at seller's expense; and/or (v) accept or retain non-conforming items and equitably reduce their price. Additionally, seller shall reimburse buyer for any and all direct and indirect costs, expenses and penalties arising out of or related to seller's breach. Such remedies are not exclusive, and buyer hereby reserves all of its rights and remedies under applicable law.

Returned or Rejected products

Buyer shall inspect all products and services within a reasonable time after receipt and shall be deemed to accept such products or services unless it gives seller written notice of any defect or non-conformity within a reasonable time after inspection. Failure to give notice of any defect or non-conformity shall not affect any warranty or operate as acceptance of any Product or Service with a latent defect.

Termination/Cancellation

Buyer may immediately cancel the purchase order, without liability to seller, in the event of any of the following or any other similar occurrences: (i) insolvency of the seller; (ii) filing of a voluntary petition in bankruptcy by seller; (iii) filing of any involuntary petition in bankruptcy against the seller; (iv) appointment of a receiver or trustee for seller; or (v) seller making an assignment for the benefit of creditors.

Buyer reserves the right to cancel all or any part of the purchase order, without liability to seller, if seller: (i) repudiates or breaches any of the terms of the purchase order or these Terms and Conditions; (ii) fails to perform services or deliver products as specified by buyer; or (iii) fails to make progress so as to endanger timely and proper completion of services or delivery of products, and seller does not correct such failure within three (3) days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of notice from buyer specifying such failure or breach.

Buyer may also terminate all or any part of the purchase order for its own convenience, in which case seller shall be entitled to, but only to, an equitable amount not in excess of its verified direct costs reasonably and necessarily expended or committed to third parties in accordance with lead times for materials and labor as appropriate for corresponding delivery dates prior to the notice of termination (less salvage value and any other amounts recoverable by seller). The payment required by the foregoing sentence shall constitute buyer's sole and exclusive liability and obligation with respect to cancellation of any order.

Delay/Force Majeure

Buyer will not be liable or held responsible for any delays or losses related to buyer's failure to accept products or services that arise directly or indirectly from Acts of God, severe weather conditions, labor disputes, governmental actions, war, riots, or other circumstances or causes beyond the reasonable control of buyer. If seller suffers a delay due to a force majeure event, buyer may terminate any order where such delay exceeds or is reasonably likely to exceed thirty days.

Severability

Any provision contained herein determined to be unenforceable, illegal or invalid shall be automatically voided and shall not affect the enforceability, legality or validity of the remaining provisions herein.

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Assignment

Seller shall not assign, delegate, or subcontract its performance under any purchase order of buyer or these Terms and Conditions without the prior written consent of buyer, which buyer may withhold in its sole discretion.

Remedies; Survival

Buyer may withhold out of amounts otherwise due seller under the purchase order or any other agreement with seller such sums sufficient to compensate itself for any amount at any time that may be owed from seller to buyer in connection with the purchase order or such other agreement. In addition, buyer hereby reserves all additional rights and remedies provided by law or equity. Provisions of these Terms and Conditions which by their nature should apply beyond their terms will remain in force after any termination or expiration of these Terms and Conditions including, without limitation, the following provisions: Indemnification; Insurance, Compliance with Law, Warranty/Limitation of Liability, Choice of Law, Remedies; Survival and Notices.

Relationship between the Parties; Notices

The relationship between buyer and seller is solely that of independent contracting parties, and nothing in these Terms and Conditions or any purchase order of buyer shall be construed to create an employment, joint venture, partnership, or agency relationship between buyer and seller. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the Contract or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Contract, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

Compliance with Law

Seller shall comply, and ensure that its permitted subcontractors comply, with all applicable statutes, regulations, rules, and ordinances governing the manufacture, sale, supply, or transfer of products and services, including all import/export laws and all requirements under the OSHA Hazard Communication Standard and other federal, state, and local laws relating to hazardous chemicals.

Choice of Law

Any dispute between seller and buyer shall be governed by and construed with the internal laws of the Commonwealth of Pennsylvania, without regard to its conflict of law provisions that may cause the law of another jurisdiction to govern. Any lawsuit or other action relating to the Contract or any products or services delivered by seller to buyer shall be commenced exclusively in the state or federal courts situated in Mercer County or the Western District of Pennsylvania and the parties irrevocably submit to the exclusive jurisdiction of, and consent to venue in, such courts. The buyer and seller agree to waive any right to a jury trial of any and all issues raised in litigation. The United Nations Convention on International Sale of Goods shall not apply to the Contract.

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