

TERMS AND CONDITIONS FOR SALE

The provision set forth below and on the face of our Acknowledgment constitute all the terms and conditions of our contract. Unless promptly advised of any objection, we will fill your order as specified herein. Our acceptance and shipment of your order is expressly made conditional on your assent to the terms and conditions set forth in the paragraphs below, and no others. If you desire different or additional terms and conditions, please make them the subject of a separate letter. Any different or additional representations, terms or conditions must be expressly accepted by us in writing to become binding terms or conditions of any sale.

ALL CORRESPONDENCE ON ANY ORDER SHOULD BE MAILED TO THE ADDRESS SHOWN ON THE FACE OF THE ACKNOWLEDGEMENT.

- (1) **PRICE TERMS.** ALL PRICES ARE FREE CARRIER (FCA) OUR WAREHOUSE, INCOTERMS 2010, UNLESS OTHERWISE NOTED ON THE FACE OF THE ACKNOWLEDGEMENT. Payment shall be due in United States Dollars within thirty (30) days from the invoice date, unless otherwise indicated on the face hereof. A finance charge equal to the "Prime Rate" (as published in the Wall Street Journal) plus two percentage points (2.0%) shall be applied to all amounts not received when due.
- (2) **PRICE CHANGES.** We reserve the right to increase the sale price and/or amend these terms and conditions at any time prior to the expected or requested shipment date, provided that written notice of such change or price increase is sent to Buyer at least ten (10) days prior to shipment. Buyer shall be deemed to have accepted such change or increase unless Buyer cancels the order, subject to reasonable charges for expenses incurred (including restocking fees) and work executed by us or our suppliers, at least ten (10) working days prior to the expected or requested shipment date.
- (3) **SHIPPING.** OUR PRODUCTS WILL BE SHIPPED FREE CARRIER (FCA), OUR WAREHOUSE, INCOTERMS 2010, UNLESS OTHERWISE NOTED ON THE FACE OF THE ACKNOWLEDGEMENT. Shipping dates are estimates and are given to the best of our knowledge based on conditions existing at the time your order is accepted. We will use reasonable efforts to ship within the time estimated, but failure to make shipment by the shipping date shall not constitute cause for cancellation of a particular order or for damages of any kind. Failure to make any shipment when due if caused by fire, storms, floods, strikes, lockouts, accidents, war, riots, or civil commotion's, inability to obtain shipping space or raw materials, government regulations, or any other cause or contingency beyond our reasonable control (whether or not of the same kind or nature as the causes or contingencies above enumerated) shall not subject us to any liability. Acceptance of the shipment by Buyer shall constitute a waiver of all claims due to delay in delivery.
- (4) **ACCEPTANCE.** No claim made by Buyer relating to quantity, weight, condition, loss or damage to the products will be accepted by us after fifteen (15) days from the arrival of such Goods at the Buyer's location. Buyer's acceptance of any Goods supplied by, or on behalf of, Seller shall, without limitation, constitute acceptance of these Terms and Conditions.
- (5) **CREDIT.** Shipments and deliveries shall be subject to approval of our Credit Department. We reserve the right, prior to making any shipments, to require from Buyer satisfactory security for the performance of Buyer's obligations. If Buyer fails to furnish satisfactory security, or information on which to base credit, or if his account is in arrears, we may defer further shipments, or may at our option cancel the order or any unshipped balance. Our failure to exercise any right accruing from any default of Buyer shall not constitute a waiver of our rights and shall not impair our rights with respect to a particular default or in case of any subsequent default of Buyer.
- (6) **WARRANTY AND LIMITATION OF LIABILITY.** We warrant our products to conform to any specifications furnished by us in writing and to be free from defects in material and workmanship under normal use and service, provided that for products refurbished by us at Buyer's request, we shall not be liable for (i) any wear and tear with respect to which we had specifically explained to Buyer that a correction would not be made, or (ii) any latent defects not detected by Rotek's standard non-destructive-test inspection procedures. Improper installation or use, or any unauthorized repair, modification or alteration of our products will void this warranty. We make no guarantee of the results to be obtained from the use of our products. All claims under this warranty must be made in writing and must be received by us within one (1) year from the date of shipment of the product for which the claim is made. Our liability under this agreement or otherwise shall be limited to repair or replacement of the products as to which such claim is made, or refund of an amount not to exceed the purchase price attributable to such products. Our selection of one of these alternatives shall be Buyer's exclusive remedy. IN NO CASE WILL WE BE LIABLE FOR REMOVAL OR INSTALLATION COSTS, DOWNTIME, DAMAGE TO OTHER PROPERTY, LOSS OF BUSINESS OR PROFITS, OR ANY CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. BUYER HEREBY AGREES THAT THIS EXCLUSIVE REMEDY SHALL NOT BE DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE SO LONG AS THE SELLER IS WILLING AND ABLE TO REPAIR OR REPLACE THE DEFECTIVE WARRANTED GOODS IN THE PRESCRIBED MANNER OR REFUND THE PURCHASE PRICE OR GIVE BUYER AN ALLOWANCE THEREFOR. CONSEQUENTIAL DAMAGES FOR PURPOSES HEREOF SHALL INCLUDE, WITHOUT LIMITATION, LOSS OF USE, INCOME OR PROFIT OR LOSSES SUSTAINED AS THE RESULT OF INJURY (INCLUDING DEATH) TO ANY PERSON OR LOSS OF OR DAMAGE TO PROPERTY (INCLUDING, WITHOUT LIMITATION, PROPERTY HANDLED OR PROCESSED BY THE USE OF THE WARRANTED GOODS OR ANY OTHER GOODS MANUFACTURED OR SOLD BY SELLER).
- (7) **HANDLING AND USE OF OUR PRODUCTS.** Even if we offer recommendations or suggestions for the use of our products, it is solely Buyer's responsibility to determine whether a product is suited for the specific needs of Buyer, and there are no representations or warranties except as set forth herein. Products manufactured or sold by us are not intended to be used, nor shall be used as a "Basic Component" Under 10 C.F.R. 21 (N.R.C). Buyer assumes all risks and liabilities arising from unloading, discharge, storage, handling, installation, and use of our products, including use of such products as part of or in connection with other equipment. Buyer assumes full responsibility for compliance with all governmental laws, rules and regulations governing unloading, discharge, storage, handling, installation and use of our products. Buyer agrees to indemnify us, our agents and employees for any and all claims, liabilities and expenses arising out of or caused by the failure of Buyer, its agents or employees to comply with the terms set forth herein or to follow instructions, warnings or recommendations furnished by us in connection with any products delivered to Buyer under this agreement.
- (8) **PRODUCT IMPROVEMENTS:** We reserve the right to continuously improve our manufacturing processes in a manner that drives cost and/or quality improvements as long as the results satisfy form, fit and function. A process change is a change that would affect any of those characteristics. We do not implement such "process changes" and we utilize measurement and testing methodology as part of our production process to verify that the changes to improve our manufacturing process do not impact our customers in any way.
- (9) **GOVERNMENT CONTRACTS.** By accepting Buyer's purchase order, we intend to accept only those terms and conditions, if any which were communicated to us in writing and are required to be included in any subcontract by the terms of Buyer's prime contract with the United States government, and not others. We do not accept terms or conditions with respect to adjustment of price, patent warranty or licenses, warranty, limitation of liability, or special tooling except as appear herein unless specifically accepted by us in a separate letter.
- (10) **CHOICE OF LAW.** This agreement and the transactions contemplated here by shall be governed by the laws of the United States of America and the State of Ohio. This agreement shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods (1980).
- (11) **ARBITRATION.** Any controversy or claim arising out of or relating to this agreement, or the breach thereof, except matters related to collection as described below, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall be conducted in Cleveland, Ohio, or at such other place as the parties may agree, by an arbitrator independent of the parties appointed by them by mutual agreement or by the President of the American Arbitration Association.
- (12) **COMPLIANCE.** We hereby certify that in the production of the Goods and/or the performance of the services covered by this document, we have complied with all applicable requirements of Section 6, y and 12 of the Fair Labor Standards Act as amended and regulations and orders of the United States Department of Labor issued under Section 14 thereof; Paragraphs 1 through 7 of Executive Order 11246 dated September 24, 1965, as amended and relating to equal employment opportunity, and the implementing rules and regulations of the office of Federal Contract Compliance.
- (13) **ADDITIONAL CONDITION APPLICABLE TO THE SALE OF "L-BEARINGS" (SPECIALLY MANUFACTURED ANTI-FRICTION SLEWING RINGS).** If this sales order acknowledgment acknowledges an order for one or more "L-BEARINGS" (specially manufactured anti-friction slewing rings), attached to this sales order acknowledgment is a drawing of an anti-friction slewing ring (the "L-Bearing") and the related load rating chart specifying the maximum permissible thrust loads, moments loads and bolt loads. The Buyer shall use and apply any and all L-Bearings sold pursuant to this sales order acknowledgment only in accordance with the instructions provided therein or in any pamphlet, manual or other literature published or furnished by Rotek with respect thereto. The L-Bearing is designed for use and application under the following conditions: (1) the L-Bearing must be loaded in compression; (2) all loads, including additional loads, test loads and shock factors (both static and dynamic) must not exceed the permissible value of the load rating curves specified in the load rating chart attached hereto; (3) the bolt rating curves must comply with a damping length of 5xd, 5 joints and bolt specifications ASTM A490; (4) the nuts must comply with nut specifications ASTM A563 (DH); (5) the washers must comply with washer specification ASTM F436; (6) the L-Bearing must rotate on a vertical axis and make slow slewing motions; and (7) the operating temperature for such Bearing must range from -20°C to +20°C. Any use and application of the L-Bearing other than in accordance with the instructions provided here in or in any other pamphlet, manual or literature furnished by us with respect thereto shall be at Buyer's own risk. We shall review the use and application of any L-Bearing sold hereunder, provided that detailed information concerning such use and application is submitted by the Buyer to us on the Bearing Design Worksheet attached hereto.
- (14) **USE WITHIN THE UNITED STATES.** The Buyer agrees and covenants to use any and all products sold pursuant to these Terms and Conditions for Sale only within a state or territory of the United States or the District of Columbia (the "United States") and not to use or export, or to permit the use or export of, such products outside the United States whether directly or indirectly. If, at any time, the Buyer knows or has reason to believe that the covenant set forth in the preceding sentence has not been, may not have been, or may not be, complied with by any party (a "Non-Compliance Event"), the Buyer shall have an affirmative obligation to give actual notice thereof to us immediately and without delay. The Buyer agrees and covenants further that we may, in our sole discretion, terminate any and all of our obligations hereunder because of any Non-Compliance event (regardless of whether the Buyer has given notice as required by this section), and that we shall not be subject to any liability as a result of, or in connection with, any such termination.
- (15) **SECURITY INTEREST.** To secure prompt payment of the purchase price for the Goods, Buyer hereby grants to us and our affiliates, successors and assigns a purchase money security interest and/or general security interest in the Goods and all proceeds thereof (together, the "Collateral"). Upon any default by Buyer, we and our affiliates, successors and assigns shall have all rights, remedies and privileges in and to the Collateral as provided by the applicable sections of the Uniform Commercial Code as presently in effect and as amended from time to time. We and our affiliates, successors and assigns are hereby given a power of attorney to sign and file all necessary financing statements on behalf of Buyer with respect to the Collateral. We and our affiliates, successors and assigns may authorize any third party to do such acts on their behalf as they are authorized to do under this provision. If, at any time, we or our affiliates, successors or assigns incur any legal expenses or other costs or expenses in connection with (i) any litigation, contest, suit, dispute, proceeding or action in any way relating to the Collateral, (ii) any attempt to enforce any of our rights against Buyer to collect payments due, or (iii) any attempt to inspect, verify, protect, preserve, restore, collect, sell, liquidate or dispose of the Collateral, then, in any such event, the expenses and costs (including attorney's fees) relating to any of the foregoing events or actions shall be payable by Buyer on demand and shall be considered additional obligations.
- (16) **TAXES.** Any sales, use or similar taxes, export or custom charges, tariffs, fees or other levies, taxes, duties, governmental charges or surcharges now or hereafter imposed under any present or future law in connection with the production, sale, delivery, use or proceeds of the Goods, including without limitation any equipment, accessories, and attachments (including replacements thereof or spare or replacement parts thereof), any installation, repair, maintenance and instructional services, and any processes or know-how (whether patentable or otherwise) and software, shall be payable by Buyer, and if such taxes or fees are paid or are required to be paid by us, the amount thereof shall be added to and become part of the price payable by Buyer hereunder, unless Buyer provides us with a valid tax exemption certificate.
- (17) **PACKAGING.** Prices stated are based on our standard packaging. We reserve the right of packaging the Goods in pallets, bulk or individual cartons. Packaging will be standard commercial package and acceptable to commercial carriers. Special Buyer packaging will be furnished only when specified, and the cost thereof shall be borne by Buyer.
- (18) **INDEMNIFICATION.** Buyer shall hold harmless, defend, save, and indemnify us, our parent, subsidiaries, and affiliated companies, and our and their agents, employees, officers, directors, and our and their respective heirs, assigns, successors and executors from and against any and all liability, claims, demands, whether groundless, false or fraudulent, costs (including expert and attorney's fees), damages, losses, judgments or awards, arising out of or in any way connected with any act or omission of Buyer. The duty to defend as provided herein is separate and distinct from the duty to indemnify, and shall arise immediately upon the tender of any third party claim or demand, and shall continue until it is conclusively proven that there is no possibility for indemnity.
- (19) **INTELLECTUAL PROPERTY.** Any of our trademarks, drawings, designs and all other intellectual property rights embodied in, displayed on, or otherwise provided in connection with, the Goods or the Instrument of Sale, shall remain our sole property. Without our express prior written permission, no reproduction, use or communication to third parties of any such intellectual property are permitted.
- (20) **NO WAIVER.** Forbearance or failure of us to enforce any of the terms and conditions stated herein, or to exercise any right accruing from default of Buyer, shall not affect or impair our rights arising from such defaults; nor shall forbearance or failure be deemed a waiver of our rights in case of any subsequent default of Buyer.
- (21) **SEVERABILITY.** If any provision of these Terms and Conditions is unenforceable or invalid, these Terms and Conditions shall be interpreted and enforced to the greatest extent possible as if the unenforceable provision or portion had never been a part hereof.
- (22) **ASSIGNMENT.** These Terms and Conditions shall be binding upon and shall inure to the benefit of the successors and assigns of Buyer and us provided, however, that Buyer may not assign or transfer the Instrument of Sale or these Terms and Conditions, in whole or in part, except upon our prior written consent.

THESE PROVISIONS ARE INTENDED BY BUYER AND US TO BE THEIR FINAL EXPRESSION OF THE TERMS AND CONDITIONS OF ALL SALES. THESE TERMS AND CONDITIONS SHALL PREVAIL NOTWITHSTANDING ANY VARIANCE WITH THE TERMS AND CONDITIONS OF ANY PRESENT PURCHASE ORDER FROM BUYER AND SUPERSEDE ALL PREVIOUS COMMUNICATIONS, QUOTATIONS OR UNDERSTANDINGS WHETHER WRITTEN OR ORAL.