



Terms & Conditions of Sale

1. **Terms and Conditions:** These Terms of Acceptance of STADCO together with the terms and provisions set forth in STADCO's Quote, or, alternatively, STADCO's Acknowledgment (collectively hereinafter referred to as "Terms and Conditions"), supersede any contrary provisions presented in any written form or otherwise by the buyer ("Buyer") of the product identified in STADCO's Quote or Acknowledgment and may not be changed in any manner other than by a writing signed by an authorized representative of STADCO. To the extent that STADCO's Quote or Acknowledgment constitutes an acceptance by STADCO of an offer by Buyer, the acceptance is expressly conditioned on Buyer's assent to STADCO's Terms and Conditions which are additional or different to those presented by Buyer. Any additional or different terms in Buyer's Purchase Order, or other forms, are hereby deemed to be material alterations and notice of objection to them and rejection of them is hereby given. To the extent that any portion of STADCO's Quote or Acknowledgment constitutes an offer, acceptance is expressly limited to STADCO's Terms and Conditions. In the absence of Buyer's written acceptance of STADCO's Terms and Conditions, acceptance of delivery of any product covered by the Purchase Order shall constitute acceptance of these terms and conditions.
2. **Acceptance of Order:** Quotations are for prompt acceptance only, and therefore, are valid for thirty (30) days. An order shall not be binding on STADCO Corporation (hereinafter "STADCO") until received and accepted by STADCO. Orders accepted by us are not subject to cancellation, except with written consent and upon terms which will compensate STADCO for payment of all expenses, overhead, and a reasonable profit thereon.
3. **Prices:** Prices are exclusive of all Federal, State, Municipal, or other government excise, sales, use, occupational or like taxes, tariffs, custom duties, and importing fees. Prices are consequently subject to increase by the amount of such tax, tariff, duty or fee which STADCO pays or is required to pay or collect upon sale or delivery. All prices are subject to adjustment on account of specifications, quantities, shipment arrangements or other terms or conditions which are not part of STADCO's original price quotation. STADCO reserves the right to correct all typographical or clerical errors which may be present in the prices or specifications contained herein.
4. **Payment:** Overdue payment shall be subject to finance charges at a periodic rate (to the extent listed by law) of 1½% per month (18% per year).
5. **Cancellation and Rescheduling Charges:** In the event the Buyer cancels or reschedules delivery, in whole or in part, of any of the product covered in the Purchase Order, the Buyer agrees to pay to STADCO, in addition to any other available remedies, the following charges:
 - a. **Progress Payment:** Buyer agrees to pay all charges which have been incurred in conjunction with the canceled or rescheduled items as of the date of receipt or written notification of cancellation or rescheduling. STADCO shall make the sole determination as to charges incurred on an actual or percent-of-completion basis including labor, materials, purchased items, overhead, profit, and other related charges.
 - b. **Cancellation or Rescheduling Charge:** Buyer agrees to pay a cancellation or rescheduling charge equal to 25% of the Purchase Order amount of the items so affected.

Cancellation and rescheduling charges as defined in (a) and (b) above shall be payable within thirty (30) days of receipt of an invoice for such charges. All cancellations and rescheduling must be made in writing to STADCO and shall be effective as of the date of receipt of written notification.
6. **Shipment; Title and Risk of Loss; Security Interest:** Unless specific instructions to the contrary are supplied by the Buyer, STADCO shall select the carrier and method of shipment and ship to the address shown on the Purchase Order. Title and risk of loss or damage to Products shall pass from STADCO to Buyer upon delivery by STADCO to the possession of the carrier. STADCO shall not assume any liability in connection with shipment or constitute any carrier as its agent. Shipments shall be insured at the Buyer's expense and the Buyer shall be responsible for making all claims with the carrier. STADCO reserves, until full payment is received, a purchase money security interest in each product delivered. Delivery of all goods, materials, items, services, and products (hereinafter "Products") shall be F.O.B. Factory unless otherwise specified. Any claims for loss or damage after risk of loss has passed as herein provided shall be filed with the carrier by Buyer. If, at the request of Buyer, shipments are postponed more than thirty (30) days, the amount due thereon shall become due thirty (30) days after notice that the Products are ready for shipment. Shipping dates are approximate and based on prompt receipt of all necessary information by STADCO at its manufacturing facility. Products in stock are offered subject to prior sale or loss. STADCO reserves the right to overship or undership each Product by ten percent (10%) unless otherwise specified in writing by Buyer on the face of their offer.
7. **Buyer-Delayed Shipments:** If shipments are delayed by incomplete or unclear engineering specifications from the Buyer, the Buyer agrees to be invoiced for up to 75% of the purchase price as a progress payment for the items so affected.
8. **Changes:** STADCO assumes no responsibility for any changes requested by Buyer in specifications relating to the Products purchased hereunder unless such changes are confirmed in writing by Buyer and accepted in writing by STADCO. Any increase in price resulting from such changes shall become effective immediately upon STADCO'S acceptance of such changes. Notwithstanding the foregoing, STADCO reserves the right to modify the specifications of any Products subject to this Sales Contract, whether established by STADCO or Buyer, providing that the modifications will not materially affect the performance of the Products.
9. **Limited Warranty:** STADCO warrants only that all Products manufactured by it (but not by others) shall be within STADCO'S standard limits of tolerances and variations or such limits of tolerances and variations as Buyer and STADCO may agree upon in writing. STADCO agrees to repair or replace any Products manufactured and sold by it which is returned by Buyer (subject always to Paragraph 10 hereof), transportation charges prepaid, and which examination by STADCO proves not to be within the aforesaid limits of tolerances and variations, provided written notice of any such defect describing the same is given STADCO within thirty (30) days from the date of shipment. THE RESPONSIBILITY OF STADCO WITH RESPECT TO ANY SUCH DEFECT IN PRODUCTS SOLD IS LIMITED TO SUCH REPAIR OR REPLACEMENT AND STADCO SHALL NOT BE LIABLE TO BUYER FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR AMOUNT INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOSS OF USE OF FACILITIES OR EQUIPMENT, LOSS OF REVENUE, LOSS OF PROFITS OR LOSS OF GOODWILL, EVEN IF STADCO WAS AWARE OF THE POSSIBILITY OF SUCH DAMAGES OR WAS NEGLIGENT. WITHOUT IN ANY WAY LIMITING THE FOREGOING, IN NO CASE SHALL THE LIABILITY OF STADCO UNDER ANY WARRANTY (EXPRESS OR IMPLIED, INCLUDING WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR WARRANTIES AGAINST INFRINGEMENT OF ANY PATENT, OR FOR ANY OTHER REASON WHATSOEVER ARISING OUT OF THIS SALE) EXCEED THE VALUE OF THE PRODUCTS SOLD HEREUNDER. THE REPAIR OR REPLACEMENT OF DEFECTIVE PRODUCTS SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY. STADCO MAKES NO WARRANTIES REGARDING PRODUCTS MANUFACTURED BY IT OR BY OTHERS (INCLUDING WITHOUT LIMITATION WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR WARRANTIES AGAINST INFRINGEMENT OF ANY PATENT), EITHER EXPRESS OR IMPLIED, EXCEPT AS PROVIDED HEREIN.
10. **Procedure for Claims:** No Products will be accepted for credit or exchange unless its return has been authorized by STADCO in writing prior to shipment. Claims for shortages must be made within ten (10) days after receipt of the Products by Buyer. Absence of such notice constitutes a waiver by Buyer on all claims for shortages. Claims for any defective Products must be made within thirty (30) days after receipt of Products by Buyer. Absence of such notice constitutes a waiver by Buyer of all claims for defects. Granting Buyer the "Authority" to return Products will not be construed as the acceptance of the Products themselves or of all Buyer's claim, but will only constitute "Authority" to physically return the Products so that they may be reinspected, and so that proper disposition of Buyer's claim may be made after such inspection. STADCO reserves the right to return the Products to Buyer, after such inspection, with no credit to Buyer, and with Buyer to bear all handling and transportation charges. "Authorization" to a Buyer to return Products requires the use of the least expensive mode of transportation available, unless otherwise specifically indicated on the Return Products Authorization. The maximum time period between the original shipment of the Products and the request for "Authority" to return Products by Buyer shall in no case exceed thirty (30) days. No replacement order will be processed until final disposition has been made for the returned Products by the STADCO Quality Assurance Department. No credit will be given or accounting entry made until such final Quality Assurance disposition has been made by STADCO.
11. **Patents:** With respect to all Products for which Buyer furnishes the design as specifications, Buyer agrees to indemnify STADCO and hold it harmless from all legal expenses which may be incurred by, and all damages and costs which may be assessed against STADCO in any action or infringement of any foreign or domestic Patent by such Products sold hereunder. STADCO will promptly inform Buyer of any such claims made against it and STADCO will cooperate with Buyer in every reasonable way to facilitate the defense of any such claim. No license is granted or implied to any process patent owned, licensed or controlled by STADCO, its subsidiaries or affiliates.
12. **Force Majeure:** Deliveries may be suspended or delayed in case of act of God, war, riots, fire, explosion, flood, strike, lockout, injunction, inability to obtain machinery, equipment, fuel, power, raw material, labor, containers, or transportation facilities, accident, breakage of machinery or apparatus, governmental action, requests, priority or distribution orders, national defense requirement or other causes beyond the control of STADCO.
13. **Applicable Law:** The rights and obligations of the parties hereunder shall be governed by and construed as a sealed instrument in accordance with the laws of the State of Ohio without reference to its choice of law provisions. Each party hereby irrevocably consents to the exclusive jurisdiction of the state and federal courts located in Greene County, Ohio, in any action arising out of or relating to this Agreement and waives any other venue to which it may be entitled by domicile or otherwise. Any action brought by the Buyer against STADCO shall be governed by and construed in accordance with the laws of the State of Ohio, excluding its conflict of law provisions. STADCO and Buyer expressly agree that the U.N. Convention on Contracts for the International Sale of Goods shall not apply and is specifically excluded.
14. **Entire Agreement and Assignments:** STADCO's Terms and Conditions constitute the entire agreement between STADCO and Buyer with respect to the transactions described on the Quote or Acknowledgment and may not be amended or modified in any manner other than by a written agreement executed by an authorized representative of STADCO. STADCO'S Terms and Conditions shall be binding on the respective parties and their successors and assigns, except that Buyer may not assign or transfer any such rights or obligations without STADCO's prior written consent.