

# **HAEGER, INCORPORATED**

## **TERMS AND CONDITIONS OF SALE**

1. DEFINITIONS. In these Terms and Conditions of Sale, the following words shall have the following meanings:

"Buyer" means the person, company or other entity who purchases Products from the Seller.

"Order Acknowledgment" means the Seller's standard order acknowledgment for Products.

"Price" means the price for Products as stated in the Order Acknowledgment to which these Terms and Conditions of Sale are attached.

"Product" means any goods or services agreed to be supplied to the Buyer by the Seller.

"Purchase Order" means the Buyer's standard purchase order for Products.

"Seller" means Haeger, Incorporated.

2. APPLICATION OF TERMS. Seller agrees to provide Products to Buyer only on the terms and conditions set out below. Any additional terms or conditions proposed by Buyer (whether in a Purchase Order or otherwise), that are inconsistent with or in addition to the terms and conditions set out below are expressly rejected and shall be void and of no effect, unless agreed to in writing by Seller, notwithstanding Seller's commencement of performance and/or delivery.

3. PAYMENT TERMS. Payment for Product is due within thirty (30) days from the date of Seller's invoice, unless otherwise agreed by Buyer and Seller in writing. In the event that any invoice is not paid within the aforementioned period, Seller reserves the right to put Buyer on credit hold. Payment is to be made by the method(s) detailed on the invoice.

4. PRICES. Prices are subject to change without notice, in Seller's sole discretion, at any time prior to the date of Product delivery, unless a Quotation has been previously provided to Buyer and remains in effect. Prices are FOB shipping point and exclusive of all taxes (including but not limited to sales taxes), insurance, license fees, customs fees, duties, transportation charges and all other charges; all of which shall be paid by Buyer, and Buyer shall indemnify, defend, and hold Seller harmless therefrom. Shipments will not be insured unless specifically requested in writing by Buyer in the Purchase Order and confirmed in writing by Seller in the Order Acknowledgment. All prices are for Products only and do not include proprietary rights of any kind.

5. CANCELLATION OR DEFERMENT. Orders may not be cancelled by Buyer, and deliveries may not be deferred by Buyer except with the prior written consent of Seller and upon terms which will indemnify Seller for all costs incurred, plus a reasonable allowance of profits.

6. DELIVERY; FORCE MAJEURE. Seller will make all reasonable efforts to fulfill a proposed delivery date. However, no proposed delivery date can be guaranteed. The Products shall be deemed accepted by Buyer when Buyer (i) notifies Seller of acceptance in writing, (ii) uses the Products or permits use by others, (iii) remits payment for the Products to Seller, or (iv) fails to notify Seller of rejection within ten (10) days after Buyer takes possession of the Products. Buyer may not revoke its acceptance, except as specifically permitted under applicable law. Any use by Buyer of any part or all of the Products after any attempted rejection or revocation of acceptance is wrongful against Seller and will constitute acceptance of all of the Products by Buyer. Products may only be rejected for breach of the warranty set forth in paragraph 7 below and returned in accordance with the terms of paragraph 8 below. Seller shall not be liable in any way because of any delay in performance hereunder due to unforeseen circumstances or to causes beyond its control, including, without limitation, strike, lockout, riot, war, fire, act of God, acts of terrorism, accident, failure or breakdown of components necessary to order completion, subcontractor, supplier of Seller caused delays, inability to obtain labor, materials or manufacturing facilities, or compliance with any law, regulation or order, whether valid or invalid, of any cognizant governmental body or any instrumentality thereof whether now existing or hereafter created.

7. WARRANTY. In the case of Products ordered from Seller's catalog, Seller warrants that at the time of shipment the Products shall substantially conform to the description set out in the current catalog at the time the order is accepted by Seller. Where the Products are based on the Buyer's own drawings or specifications, Seller warrants that at the time of shipment the Products shall substantially conform to such drawings and specifications, if and to the extent that each applicable drawing and/or specification has been previously agreed to by Seller in writing. Seller makes no representations or warranties concerning the Products except such as are expressly contained in this paragraph.

THE FOREGOING WARRANTY IS MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHICH ARE EXCLUDED TO THE FULLEST EXTENT PERMITTED BY LAW. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO WARRANTY AS TO MERCHANTABILITY OR AS TO THE FITNESS OF ANY PRODUCT FOR ANY PARTICULAR PURPOSE.

8. RETURN OF PRODUCTS FOR BREACH OF WARRANTY. In the event that Seller is in breach of the warranty set forth in Section 7 hereof, Seller's sole obligation and Buyer's exclusive remedy is limited to a refund of the Price for any Product that does not meet such warranty. Seller shall only be obligated to provide the aforementioned refund if (i) Seller agrees in writing prior to the return that Buyer may return the applicable Product, (ii) the Product is returned to Seller with transportation charges pre-paid by Buyer, (iii) Buyer complies with all reasonable instructions of Seller, and (iv) upon Seller's examination, the Product, when tested within the specified ratings and in accordance with good engineering practice, does not meet the aforementioned warranty. Such warranty does not extend to any Products that have been subject to any misuse, neglect, or accident, nor shall it extend to any material or Product that has been altered or repaired outside of Seller's factory. Any claim on account of breach of the foregoing warranty shall conclusively be deemed waived by Buyer unless written notice thereof is given to Seller within the number of days after the date of delivery listed below for each product line, as applicable:

- Haeger tooling, parts & equipment: one (1) year

If the Products are found, pursuant to the Seller examination described above, not to be in breach of warranty, Seller will not be obliged to issue any refund or portion thereof.

9. TECHNICAL OR OTHER ASSISTANCE. Seller does not warrant or otherwise agree to provide any post-sales support. If Seller, in its sole discretion, provides any post-sales support, Seller makes no warranties, whether expressed or implied, with respect to any information or assistance provided.

10. TITLE; RISK OF LOSS. Title in the Products shall remain with Seller until Buyer has paid Seller the Price in full, in accordance with the terms hereof, as well as any other payments due to Seller from the Buyer. So long as title in the Products remains with Seller, the Buyer must keep the Products free from any charge or encumbrance and mark the Products conspicuously as being the property of Seller. If the Buyer is in default of any obligation hereunder or is insolvent or has a receiver, liquidator or similar officer appointed over all or any of its assets, Seller shall have the right to retake possession of the Products and for that purpose to go onto any premises occupied by the Buyer and recover the Products. Such repossession shall not constitute a rescission or termination of any contract between Seller and the Buyer unless Seller expressly elects to do so. Notwithstanding that title in the Products may still rest with Seller, the Buyer shall bear all risk of loss or damage to the Products upon delivery to the Buyer's designated carrier at the shipping point.

11. INDEMNIFICATION. Buyer shall indemnify, defend, and hold Seller harmless against any expense, loss, costs or damages (including reasonable attorneys fees) resulting from any claimed or actual bodily injury, property damage or death, or any claimed or actual infringement of any patents, trademarks, copyrights, trade secrets, or any other industrial property rights, arising out of (i) compliance by Seller with any of Buyer's designs, specifications, or instructions, and (ii) any use or sale of a Product delivered hereunder, except to the extent arising out of Seller's negligence in design or manufacturing.

12. SUBSEQUENT ORDERS FROM BUYER. If Buyer should submit subsequent orders (whether oral or written) for additional quantities of the Products described herein (and whether such additional orders are at the same or a different price), such additional orders shall be subject to these Terms and Conditions of Sale. THESE TERMS AND CONDITIONS OF SALE WILL GOVERN ALL REORDERS AND ADDITIONAL ORDERS FOR PRODUCTS OF THE KIND DESCRIBED HEREIN. ANY TERMS OR CONDITIONS CONTAINED IN ANY REORDER OR ADDITIONAL ORDER WHICH ARE DIFFERENT FROM OR

ADDITIONAL TO THESE TERMS AND CONDITIONS OF SALE WILL BE OF NO BINDING EFFECT AND ARE HEREBY REJECTED. Seller reserves the right to make changes in the design and specifications of any of Products listed in Seller's catalog at any time without notice to Buyer.

13. CONFIDENTIALITY. All information furnished by Seller and all information learned or observed about Seller or its operations through the parties' performance hereunder is confidential, and Buyer shall not disclose any such information to any other person or use such information for any purpose other than the fulfillment of its obligations hereunder without Seller's prior written consent.

14. NO WAIVER. Seller's failure to insist upon performance of any of the terms and conditions set forth herein or to exercise any right hereunder on any one or more occasions shall not be deemed to be a waiver of such terms, conditions or rights, nor shall it be deemed to be a waiver of any other term, condition or right set forth herein.

15. MODIFICATION. No waiver, alteration or modification of any of provision contained herein shall be valid unless made in writing and signed by an authorized officer of Seller.

16. GOVERNING LAW. These Terms and Conditions of Sale shall be governed by the laws of California, without regard to its conflict of law principles. Buyer and Seller hereby consent to the exclusive jurisdiction and venue of the courts located in Stanislaus County, California in connection with any dispute relating hereto.

17. INDEPENDENT CONTRACTORS / NO PARTNERSHIP OR JOINT VENTURE. Buyer and Seller are independent contractors. Nothing contained herein is intended or shall be construed in any way to create or establish the relationship of partners or a joint venture between Buyer and Seller. None of the officers, employees, agents or other representatives of Buyer or Seller shall be or be deemed to be employees, agents or other representatives of the other party hereto for any purpose whatsoever.

18. LIMITATION OF LIABILITY. SELLER'S LIABILITY FOR ANY CLAIMS, DAMAGES, LOSSES OR LIABILITIES ARISING OUT OF OR RELATING TO ITS PERFORMANCE OF ANY ORDER SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCTS SOLD PURSUANT TO SUCH ORDER. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY COSTS RELATING TO ANY EQUIPMENT, CHASSIS OR ASSEMBLY INTO WHICH SUCH PRODUCT HAS BEEN AT ANY TIME INSTALLED. FURTHERMORE, IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR BUYER'S AFFILIATES, EMPLOYEES, REPRESENTATIVES, CUSTOMERS OR AGENTS FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, LOSS OF REPUTATION OR LABOR COSTS, RESULTING FROM THE USE OR INABILITY TO USE THE PRODUCTS, FROM THE PRODUCTS' INCORPORATION INTO OR BECOMING A COMPONENT OF ANOTHER PRODUCT, FROM ANY BREACH OF THIS AGREEMENT OR FROM ANY OTHER CAUSE WHATSOEVER, WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING STRICT LIABILITY) OR ANY OTHER THEORY OF LIABILITY AND REGARDLESS OF ANY ADVICE OR REPRESENTATION THAT MAY HAVE BEEN RENDERED BY SELLER REGARDING THE PRODUCTS OR SELLER'S PERFORMANCE HEREUNDER. THE LIMITATIONS IMPOSED IN THIS PARAGRAPH APPLY TO THE FULLEST EXTENT PERMITTED BY LAW.

19. ENTIRE AGREEMENT. These Terms and Conditions of Sale, together with the attached Order Acknowledgment, set out the entire agreement between the Seller and Buyer relative to the Products covered hereby and supersede any prior agreements or understandings between the parties, whether oral or in writing, between Buyer and Seller relative to the Products covered hereby.

20. SEVERABILITY. The invalidity or unenforceability of any particular provision, or part of any provision, of these Terms and Conditions of Sale shall not affect the other provisions or parts hereof, and these Terms and Conditions of Sale shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.