

**CLASS C COMPONENTS, INC.**  
**TERMS AND CONDITIONS OF SALE**

- 1. Offer; Acceptance; Exclusive Terms of Purchase Order.** These Terms and Conditions expressly limit acceptance by Class C Components, Inc. (“Seller”) of any purchase order by any proposed purchaser (“Purchaser”) to the terms and conditions stated herein. Seller’s quotation or other similar or related document(s), together with these Terms and Conditions (“Quotation”), constitutes Seller’s offer to the Purchaser. Unless otherwise expressly stated in the Quotation, the Quotation is valid for a period of thirty (30) days after it is issued by Seller. The Quotation shall be the complete and exclusive statement of such offer and acceptance. Any additional or different terms and conditions proposed by the Purchaser are objected to and hereby rejected, notwithstanding any terms and conditions that may be contained in any purchase order, acknowledgment, notice, communication or other Purchaser form, electronic or otherwise, unless such additional or different terms are expressly accepted by Seller in writing, signed by an authorized officer of Seller. Any authorization to ship or other notice by Purchaser with respect to Purchaser’s purchase order, or the acceptance by Purchaser of any goods from Seller with respect to any such Purchaser purchase order, or any payment by Purchaser shall be considered an acceptance of all terms and conditions specified herein. If this document is deemed to be a responding communication, then notwithstanding any additional or different terms that may be embodied in Purchaser’s form, this acceptance is expressly conditioned upon Purchaser’s consent to the additional and/or different terms and conditions set forth herein. If these terms and conditions are not acceptable, Purchaser should notify Seller at once. Where a Quotation is not issued as described above, Seller’s order acknowledgement or other confirmation document, together with these Terms and Conditions, shall be the complete and exclusive statement of the Quotation described herein.
  
- 2. Payment Terms.** Unless otherwise expressly stated in the Quotation, all accounts are due and payable in U.S. currency within thirty (30) days from the date of Seller’s invoice. If any payment owed to Seller is not paid when due, Seller reserves the right to charge interest at the lesser rate of 18% per annum (1.5% per month) or the maximum rate permitted by law, from the date on which it is due until it is paid. If any Purchaser fails to make full payment when due or Purchaser has breached any of these Terms and Conditions, Seller may defer any future shipments or other orders, or cancel any portion of an unshipped order, cancel all credit available to Purchaser, require that any invoices outstanding be immediately due and payable in full, and refuse to make any further credit advances. Purchaser is prohibited from and shall not set off against or recoup from or otherwise debit, chargeback or net from any invoiced amounts due or to become due from Purchaser or its affiliates any amounts due or to become due from Seller or its affiliates whether arising under the quotation or any other agreement. The Purchaser shall pay, to the extent permitted under applicable law, all reasonable costs and expenses, including attorney’s fees and costs, incurred by Seller in connection with any collection action for payment of the amounts due herein.

3. **Taxes, Duties and Fees.** Seller's prices do not include taxes, duties, fees or other governmental charges or impositions with respect to the sale, purchase, delivery, storage, processing, use, consumption or transportation of any of the products. Any such taxes, duties, fees or other charges which Seller may be required to pay or collect under any existing or future law, including taxes, duties or fees upon or measured by the receipts from the sale thereof, shall be promptly paid by Purchaser to Seller upon demand, unless Purchaser provides Seller with a properly executed certificate representing that Seller is not required to collect any such taxes, duties or fees. Purchaser shall indemnify and hold Seller harmless from any liability, penalties or expenses incurred by Seller as a result of its reliance upon such certificate.
4. **Shipment/Title/Risk of Loss.** All sales of products are F.O.B. Seller's facility unless otherwise expressly stated in the Quotation. Responsibility of Seller shall cease upon delivery to, and receipt of, the products by a common carrier at which point all risk of loss for products transfers to Purchaser. The shipment and availability of finished products manufactured by a third party which are sold by Seller are subject to availability at the time of order. Premium shipping expenses and/or other related expenses necessary to meet Purchaser's accelerated delivery schedules shall be the responsibility of the Purchaser. Unless otherwise stated in the Quotation, Seller shall not have any obligation to maintain any excess inventory of products, regardless of whether such inventory is designated as a reserve, bank, safety stock, or otherwise.

Unless otherwise stated in the Quotation, Purchaser shall pre-pay any freight costs associated with the delivery of products to their destination. Local delivery charges may apply. Unless Seller agrees in writing to accept responsibility, Purchaser is responsible for any extra or additional charges or services rendered in transit or at the destination, including, without limitation, duties, subsidies, insurance, brokers fees and surcharges.

5. **Security Interest.** Purchaser grants to Seller a priority lien, security or collateral interest in the products and any accounts receivable or cash from the resale of the products until full payment is received, with respect to any sales on open account. Purchaser shall complete and cooperate with the submission of any documents necessary to validate or enforce Seller's rights hereunder.
6. **Modifications, Cancellations and Returns.** Deliveries of orders placed by Purchaser may be changed, deferred or canceled only upon specific agreement in writing by Seller and Seller may condition such agreement upon Purchaser's assumption of liability and payment to Seller for: (a) all orders filled at the order price; (b) a sum equal to costs accrued for labor and material engaged in completing the order; (c) any amount for which Seller is liable by reason of commitments made by Seller to its suppliers and/or subcontractors; and (d) any other loss, cost or expense of Seller as a result of such change, deferment, or cancellation. Seller must approve a return or cancellation of any order prior to shipment. Orders for special or non-standard products may not be cancelled or returned (except for non-conformities). Any returns for shipping errors, damage or loss upon delivery must be reported within ten (10) days of the delivery date. Except as otherwise agreed, products will not be accepted for return after thirty (30) days

from the date of delivery to the Purchaser. All returns must be made: (a) to Seller; (b) in resalable condition; and (c) accompanied by an invoice. Notwithstanding the above, any cancellation or return accepted after thirty (30) days may be subject to a restocking fee and other charges, for which the Purchaser shall be responsible.

7. **Over-Delivery and Under-Delivery on Special Orders.** If Purchaser places an order for special or non-standard products, Seller may deliver such order to Purchaser plus or minus ten percent (10%) of the total quantity of products ordered (“Special Order Quantity Range”). In the event of such over-delivery or under-delivery, Purchaser shall be responsible for remitting payment to Seller for the actual number of products delivered pursuant to the terms contained herein. So long as Seller delivers any special or non-standard product order to Purchaser within the Special Order Quantity Range, Seller shall be deemed to have successfully completed the order, shall have no further obligations related to such order, and shall not be deemed to be in breach of the terms of the Quotation.
8. **Adjustments.** In the event that Purchaser requests any changes in the specifications, timing, volume or other requirements for the products, Seller reserves the right to equitably adjust the price and delivery terms of the order. Such changes by Purchaser are subject to prior approval by an authorized representative of Seller.
9. **Order Assistance.** From time to time, Purchaser may request, and Seller may offer, certain order assistance, including, without limitation, advice, recommendations and/or suggestions as to the use and suitability of certain products. Purchaser acknowledges and agrees that such advice, recommendations and/or other suggestions by Seller with respect to any product(s) do not constitute any warranties with respect to any such product(s). **SELLER DISCLAIMS ANY SUCH WARRANTIES AND PURCHASER, OR ANY THIRD PARTY AFFILIATED WITH PURCHASER, ASSUMES FULL RESPONSIBILITY FOR ACCEPTING AND/OR USING SUCH ADVICE, RECOMMENDATIONS AND/OR OTHER SUGGESTIONS IN PURCHASER’S, AND/OR SUCH THIRD PARTIES, SOLE AND ABSOLUTE DISCRETION.**
10. **Information and Documentation.** Upon Purchaser’s written request to Seller, Seller shall only be responsible to provide Purchaser with such information, disclosures, warnings, labels, instructions and other documentation, specifically identified and reasonable under the circumstances, and only as authorized by any applicable manufacturer’s confidentiality requirements, concerning (a) products and their ingredients, materials and components, (b) the shipping, handling, delivery, use and disposal of such products, ingredients, materials and components, and (c) any import, export, customs, rules of origin, tax or related matters. Purchaser shall reimburse Seller for any cost to Seller of providing any such information, disclosures, warnings, labels, instructions and other documentation.
11. **Proprietary Materials.** Seller shall have and retain all rights, title and interest, including all intellectual property rights, in and to all materials produced by Seller and associated with a fulfilled order for products (“Proprietary Materials”). No Proprietary Materials

created by Seller in connection with or pursuant to an order shall be considered “works made for hire” as that term is used in connection with the U.S. Copyright Act. Purchaser shall not have any license to use any intellectual property rights of Seller except to the extent expressly agreed to in a separate license agreement mutually agreed in writing between Seller and Purchaser.

12. **Design.** Seller is not responsible for the design of any product distributed to Purchaser, nor any warranty, indemnification or other liability or obligation for any actual or alleged defects, quality issues, intellectual property infringements or other nonconformities with respect to any product to the extent related to or arising out of the design and/or specifications of such product. In no event will Seller be responsible for any loss or damage arising out of Purchaser’s improper selection, misapplication or misuse of a product.
  
13. **Limitation of Warranties.** Seller warrants to Purchaser for a period equal to the lesser of (a) twelve (12) months from the date of shipment, or (b) the length of any applicable manufacturer’s warranty or expiration date, that the products delivered will conform to the description set forth in the Quotation and shall be free from defects in material and workmanship (the “Warranty”). Notwithstanding the foregoing, as to any products sold by Seller that are finished products manufactured by a third party, the warranty delivered to Seller by the manufacturer or other vendor of such products shall, to the extent assignment is permitted by the terms thereof, be assigned to Purchaser and shall be expressly in lieu of any other warranty, express or implied, of or by Seller for such products. Purchaser shall hold and make available for inspection and testing by Seller all products claimed by Purchaser to be defective or nonconforming. Any claim for defective or nonconforming products must be verified by Seller and, upon verification, Seller’s liability shall be limited to the replacement or repair, at Seller’s election, of such part or product in question as Seller may determine is defective or nonconforming. Purchaser shall provide Seller with immediate notice of, and the opportunity to participate in, any and all meetings or other communications regarding actual or alleged defects with respect to any product.

**THE FOREGOING WARRANTIES AND REMEDIES ARE EXCLUSIVE AND SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCT INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER SPECIFICALLY, BUT NOT BY WAY OF LIMITATION, DISCLAIMS ANY AND ALL LIABILITY FOR THE USE OR PERFORMANCE OF A PRODUCT IN THE APPLICATION(S) SELECTED BY PURCHASER AND/OR PURCHASER’S CUSTOMERS. SELLER FURTHER DISCLAIMS ANY AND ALL LIABILITY FOR PRODUCTS THAT ARE FURTHER PROCESSED BY PURCHASER OR ANY THIRD PARTY OR IN ANY WAY CHANGED BY PURCHASER AND ANY THIRD PARTY FROM THE PRODUCTS DELIVERED BY SELLER OR THAT ARE DAMAGED OR CAUSE DAMAGE AS A RESULT OF MISUSE, ACCIDENT,**

**NEGLECT, OR IMPROPER INSTALLATION, ALTERATIONS OR REPAIRS ON THE PART OF PURCHASER OR ANY THIRD PARTY.**

14. **Limitation of Remedies.** Should any product delivered by Seller pursuant to an order placed by Purchaser prove not to conform to Seller's Warranty, the remedies of Purchaser for any breach of any warranty shall be limited to the repair or replacement of the product in Seller's sole discretion. In no event shall Seller's obligations pursuant to the Warranty exceed the purchase price paid to Seller by Purchaser for the particular product(s) involved, to the exclusion of all other remedies or limitations.
15. **Limitation of Liability.** **UNDER NO CIRCUMSTANCES WHATSOEVER, INCLUDING IN THE EVENT SELLER'S WARRANTY IS DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, SHALL SELLER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGE, LOSS OR EXPENSE (INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS OR GOODWILL) ARISING FROM THIS AGREEMENT, OR FROM THE USE OF OR INABILITY TO USE THE PRODUCT(S) FURNISHED BY SELLER HEREUNDER, WHETHER SUCH CLAIM IS BASED ON CONTRACT, NEGLIGENCE, STRICT TORT OR WARRANTY. IN NO EVENT WILL SELLER'S LIABILITY FOR ANY DIRECT DAMAGES EXCEED THE PURCHASE PRICE OF THE PRODUCT AT ISSUE.**
16. **Hazardous Products Information.** Safety Data Sheets ("SDS") for controlled products, as defined by rules or regulations established in certain counties, are available by contacting Seller. The information and recommendations contained on any SDS supplied by the manufacturer is considered by Seller to be accurate and reliable. Seller does not, however, make any warranty concerning the accuracy of the information or the suitability of the recommendations contained on any SDS. Seller disclaims any and all liability to Purchaser and/or any other user with regard to the matters addressed in this Section 16.
17. **Disclaimer Regarding Certain Products.** Due to the potential increased susceptibility for embrittlement, Seller makes no warranties of any kind or nature with respect to, nor will Seller have any liability in connection with, any product or product component which has a material hardness greater than Rockwell HRC 39 and which is electroplated or has been subjected to any type of process, or environment, that could produce or trap hydrogen molecules within the product or product component. The Purchaser agrees to indemnify and hold harmless Seller and its affiliates and each such parties' owners, officers, directors, employees and agents from any direct or indirect claims, demands, causes of action, suits, judgments, loss, harm, damage, penalty, liability and the like, which may be attributable, in any manner, to such product or product component. In no event shall such product or product component be used on any safety critical applications and Purchaser should, in all cases, consult its own experts regarding susceptibility for embrittlement.
18. **Indemnification.** Purchaser shall indemnify, defend and hold harmless Seller from all claims, liability, damages, and expenses (including attorneys' fees) suffered by Seller,

whether or not involving a third party claim, arising out of (a) Purchaser's breach of the terms of the Quotation, (b) Purchaser's possession, use, handling, storage, sale, processing or any disposition of the products purchased hereunder, (c) Purchaser's errors, omissions, negligence or other wrongful conduct of Purchaser and its customers, users, agents or subcontractors, and (d) any liability, claim or expense incurred by Seller relating to Purchaser or the products sold to Purchaser for which Seller is not expressly liable hereunder. In any matter to which this paragraph applies, Seller shall have the right to select and retain counsel of its own choosing, all at Purchaser's expense, and to participate in the defense.

19. **Compliance.** Purchaser shall be solely responsible for compliance with any federal, state or local laws, rules, regulations and ordinances or any industry standards that may be applicable to the products.
20. **Confidentiality.** Purchaser shall maintain the confidentiality of all technical, business or financial information of Seller ("Confidential Information") in the same manner in which it protects its own confidential information of like kind, but in no event shall Purchaser take less than reasonable precautions to prevent the unauthorized disclosure, publication, dissemination or use of the Confidential Information. Upon termination of the Purchase Order, Purchaser shall return the Confidential Information to Seller or otherwise destroy and dispose of the Confidential Information in the manner directed by Seller and shall not use the Confidential Information for its own or any third party's benefit.
21. **Assignment.** No order may be assigned in whole or in part by Purchaser without the prior written consent of Seller.
22. **Termination.** An order may be terminated by Seller by providing thirty (30) days written notice to Purchaser.
23. **Force Majeure.** Seller will not be liable or held responsible for any delays or losses resulting, directly or indirectly, from Acts of God, severe weather conditions, labor disputes, governmental actions, inability to obtain permits, licenses, raw materials or shipments of product, war, riots, shortages and any other circumstances or causes beyond Seller's reasonable control.
24. **Governing Law.** These Terms and Conditions shall be construed, interpreted and performed according to the laws, excluding conflict of law rules, of the State of Minnesota, United States of America. Any legal action must be filed and commenced within one year after it arises. The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition will not constitute a waiver of that right or excuse any subsequent nonperformance of any such term or condition by the other party. The Uniform Commercial Code as adopted by the State of Minnesota shall be applied, without application of any similar state or international law or treaty. The parties hereby expressly agree to exclude the application of the United Nations Convention on Contracts for the International Sale of Goods as amended, replaced or re-enacted from time to time.

25. **Disputes.** No action arising out of any sale from Seller to Purchaser may be brought by Purchaser more than one (1) year after the cause of action has accrued. The parties shall exercise their best efforts to resolve by negotiation any and all disputes, controversies or differences arising out of or relating to any order. All disputes, controversies or differences between the parties that are not settled by negotiation shall be resolved by litigation in the state courts situated in Anoka County, State of Minnesota or in the federal courts located in the District of Minnesota, and Purchaser hereby consents to the personal jurisdiction thereof over Purchaser.
26. **Waiver.** Waiver by Seller of any of the terms or conditions contained in a Quotation shall be effective only if in writing and signed by Seller, and shall not constitute a waiver of such terms as to any subsequent events, conditions or orders, whether similar or dissimilar. No course of dealing or custom in the trade shall constitute a modification or waiver by Seller of any right.
27. **Exclusive Agreement.** This writing is intended by the parties as the final and complete expression of their agreement. Purchaser specifically agrees that Purchaser's standard language as may be contained in Purchaser's inquiry or purchase order documents will only apply to the extent such language is not contradicted by the language in this document or any other documents that are a part of the Quotation and only if Seller has provided written acceptance of such terms. In the event of a conflict between this document or any other part of a Quotation and Purchaser's standard documents, Seller's terms as expressed herein shall prevail, unless Seller, by its duly authorized officer, has specifically agreed in writing to waive, modify, add or otherwise delete any of the language contained herein or within any Quotation. No agreement varying or extending the terms, conditions, covenants and provisions of these terms and conditions of sale and no express warranty will be binding upon Seller unless provided in writing and signed by a duly authorized officer of Seller.

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