

OSCO INDUSTRIES, INC.
TERMS AND CONDITIONS OF PURCHASE

1. **Acceptance.** The purchase order (the "Purchase Order") is an offer sent by OSCO Industries, Inc. ("Buyer") to the seller of goods and/or services thereunder ("Seller"). Acceptance of the Purchase Order is expressly limited to the terms of the Purchase Order and these Terms and Conditions of Purchase (the "Terms"), which are expressly incorporated by reference into the Purchase Order. Signing and returning the acknowledgment copy of the Purchase Order or, in any event, commencement of performance thereunder shall constitute unconditional acceptance of all of these Terms without exception. In the event of any conflict between the face of the Purchase Order and these Terms, the Purchase Order shall take precedence over these Terms.

The Purchase Order is the entire contract and no changes are binding on Buyer unless they are in writing and signed by an authorized representative of Buyer's Purchasing Department. Notwithstanding any references in the Purchase Order to Seller's quotation, the Purchase Order is not in response to or an acceptance of such quotation, and any references to or attachment of Seller's terms and conditions, or any over stamping on the acknowledgment or invoicing of the Purchase Order shall not alter the terms thereof and shall be disregarded by Buyer, and are hereby rejected.

2. **Specifications.** All materials or products furnished under the Purchase Order shall in the first instance comply with any applicable specification of Buyer (unless Seller has obtained prior permission in writing from Buyer to make changes) and thereafter must be identical with those furnished by Seller under any previous orders from Buyer. In the event that there is a conflict between the Seller's published specification and Buyer's specification, Seller agrees to immediately advise Buyer in writing and proceed with this order on the basis of Buyer's specification.

3. **Price.** Seller represents that the price charged for the items or services covered by the Purchase Order does not exceed the price charged by the Seller to buyers of a class similar to Buyer under conditions similar to those specified in this order, and that prices comply with applicable government regulations in effect at time of quotation, sale and delivery. Seller agrees that to the extent any price reduction is made in merchandise covered by the Purchase Order subsequent to the issuance of the Purchase Order but prior to the issuance of any invoice, the reduced price shall apply. If Seller fails to meet the lower price, Buyer, at its option, may terminate this Purchase Order without liability. Prices are firm unless provision is made for escalation on the face of the Purchase Order.

4. **Payment Terms.** (a) Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with the Purchase Order and Buyer shall pay all properly invoiced amounts due to Seller net [45] days after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. (b) Disputed invoices will not become due and payable until the later of the date due under subsection (a) above or 30 days after such invoice dispute has been resolved to the mutual satisfaction of the parties. (c) Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller.

5. **Changes.** Buyer reserves the right at any time to make changes in drawings, designs, specifications, quantities, and delivery schedules as to any goods and/or services covered by the Purchase Order. Any changes intended to be binding on either Buyer or Seller shall be made by a formal change to the Purchase Order. Any differences in price or time for performance resulting from such changes shall be equitably adjusted and shown on the Purchase Order. Any claim by the Seller for adjustment under this Article must be asserted within 30 days from the date of notification of the change, provided, however, that Buyer, if it decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under the Purchase Order.

6. **Performance.** Deliveries of goods or services ordered hereunder are to be made both in quantities and at the times specified by the Purchase Order to the address specified in the Purchase Order (the "Delivery Location") during Buyer's normal business hours or as otherwise instructed by Buyer. Buyer shall have the right (a) to cancel the Purchase Order if shipment is not made in accordance with such schedules for quantities or time periods, (b) to refuse to accept delivery if shipments are made in advance of schedules herein or if quantities are in excess of those called for in the Purchase Order. Time is of the essence. Any provisions on the face of the Purchase Order for the delivery of goods or the rendering of services by installments shall not be construed as making the obligations of Seller severable.

7. **Shipping Terms.** Unless the Purchase Order otherwise expressly provides, delivery shall be made FCA Seller's final production location, using Buyer's designated form and carrier for transportation. Incoterms® 2010 will apply to all shipments. Seller shall provide Buyer all shipping documents, including the commercial invoice, packing list, and any other documents necessary to release the goods to Buyer within 3 business days after Seller delivers the goods to the transportation carrier. The Purchase Order number must appear on all shipping documents, shipping labels, invoices, correspondence and any other documents pertaining to the Purchase Order.
8. **Title and Risk of Loss.** Seller retains title to and bears all risk of loss or damage to the goods until delivery of the goods to the Delivery Location and Buyer inspects and accepts the goods.
9. **Delays.** Seller shall not be liable for delays or default in deliveries due to causes reasonably beyond his control, without such party's fault or negligence, and which by its nature could not have been foreseen by Seller or, if it could have been foreseen, was unavoidable; provided, written notification of such excusable delay is given to Buyer within ten days of the occurrence causing same. Seller's economic hardship or changes in market conditions are not considered an excusable delay. In the event of an excusable delay for which written notification is provided, Buyer may in addition to any rights granted herein or under the law terminate the Purchase Order, in whole or in part, without liability on account thereof.
10. **Labor Disputes.** Whenever an actual or potential labor dispute delays or threatens to delay the timely performance of this order, Seller will immediately notify Buyer of such dispute and furnish all relevant details. Seller will include the substance of the provision in each subcontract hereunder and immediately transmit any such notice to Buyer.
11. **Inspection.** Payment for the goods or services furnished hereunder shall not constitute acceptance thereof. All goods are subject to Buyer's inspection, at the source if deemed necessary by Buyer or required by government regulation. If any other goods are found at any time to be defective in design, material or workmanship, or otherwise not in conformity with the requirements of the Purchase Order, Buyer in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject and return such goods at Seller's expense (plus inbound transportation charges if bought F.O.B. shipping point). Such goods shall not be replaced without written authorization by Buyer. Buyer may reject the entire shipment, where it consists of a quantity of similar articles and sample inspection disclosed that the articles inspected contain defective material or workmanship or do not conform to specifications or samples, unless Seller agrees to reimburse Buyer for the cost of a complete inspection of articles included in such shipment.
12. **Adequate Assurance.** If the Seller's financial condition is found to be or becomes unsatisfactory to Buyer during the term of the Purchase Order, or should Seller's ability to perform become doubtful, Buyer may demand immediate assurance of performance, and in the event that such assurance is not forthcoming within 5 working days, Buyer may terminate any outstanding Purchase Order covering purchases by Buyer of Seller's products whether or not Seller may otherwise be in default, and no rights shall accrue to Seller against Buyer on account of such termination. Buyer's duties hereunder are conditioned upon the continuance of the Seller's solvency and Seller's ability to perform within the delivery schedule.
13. **Termination.** Buyer by written notice may terminate the Purchase Order, in whole or in part, for any reason whatsoever. In the event this order is terminated as a result of Seller's default, the Seller shall be liable for damages, including the excess cost of re-procuring similar items. If this order is terminated for the convenience of Buyer, Seller shall be compensated proportionately to the extent that items have been shipped or services rendered prior to the effective date of termination. Other than to this extent, Buyer shall not be liable to Seller for any damages on account of its failure to accept all of the items or services ordered. Buyer may be entitled to a refund of any progress payment made to the date of termination.
14. **Remedies.** The remedies herein reserved shall be cumulative and additional to any other or further remedies provided in law or equity. No waiver of a breach of any provision of the contract resulting from this order shall constitute a waiver of any other breach, or of such provision.
15. **Warranties.** Seller represents and warrants to Buyer that all goods: conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer; are manufactured in accordance with the highest professional standards and fit for any purpose held out by Seller or made known to Seller by Buyer, expressly or by implication; are merchantable, of good quality, and free from any defects, whether latent or patent, in workmanship, material and design, and will remain so after delivery; are free and clear of all liens, taxes, debts, security interests or other encumbrances and claims of any nature; are manufactured and sold by Seller in compliance with all laws, rules, regulations, orders and standards, including, but not limited

to, the Fair Labor Standards Act, as amended, the Occupational Safety and Health Act, as amended, the Toxic Substances Control Act, as amended, the Foreign Corrupt Practices Act, as amended, and any law or regulation therefrom, as applicable to the manufacture and sale of such goods; and do not infringe or misappropriate any third party's patent or other intellectual property rights. Unless otherwise stated in these Terms, these warranties survive any delivery, inspection, acceptance or payment of or for the goods by Buyer, and any termination or expiration of the Purchase Order. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the goods with the foregoing warranties. If Buyer gives Seller notice of noncompliance with this Section, Seller shall, at its own cost and expense, promptly replace or repair the defective or nonconforming goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement goods to Buyer. Buyer may pass on such warranties to its customers.

16. **Gratuities.** Seller has not and will not offer to any employee, agent, or representative of Buyer any gratuity with a view toward securing any business from Buyer by influencing such person with respect to the terms, conditions, performance, or award of any contract with or order from Buyer. Any breach of this warranty shall be a material breach of each and every contract between Buyer and Seller.
17. **Patents.** Seller agrees to defend Buyer and its customers from any and all suits for infringement of any third party intellectual property rights, which suit results from the use or sale of goods delivered under the Purchase Order, and Seller shall indemnify and hold Buyer and its customers harmless, in any such suit, from any or all costs, and for recovery by way of profits, damages, or otherwise arising out of such suit, provided, however, that the foregoing shall not apply where goods are made to Buyer's specification or design.
18. **Indemnification.** Seller agrees to indemnify and hold harmless Buyer, its shareholders, directors, officers, successors, and assigns from and against any and all losses or liabilities whatsoever caused in whole or in part by Seller's act or omission, including any loss arising from breach of contract or improper performance by Seller and for damages and/or injuries which may be incurred by Buyer by virtue of defective design, material or workmanship in the goods furnished hereunder. If the Purchase Order covers the performance of labor for Buyer, Seller agrees to indemnify and hold harmless Buyer from and against all losses, liabilities, claims, or demands for injuries to any person (including death) or damages to property growing out of the performance of the contract which results from the acceptance of the Purchase Order by Seller, except that Seller shall not relieve Buyer from liability caused by the willful misconduct or sole negligence of Buyer, its officers, agents, or servants.
19. **Insurance.** Seller shall maintain at all times during the performance of labor or services for Buyer under the Purchase Order: workers' compensation insurance with applicable statutory limits, employer's liability of \$1,000,000 limit, and commercial general liability insurance including products-completed operations, automobile and contractual liability coverages with limits of \$2,000,000 each occurrence personal injury, \$5,000,000 general aggregate/completed operations-products aggregate and \$2,000,000 combined single limit automobile liability. The Insurance carrier must have an A.M. Best rating of A or better. Seller shall furnish an insurance certificate with OSCO Industries, Inc. included as an additional named insured on the general liability insurance and/or state-issued certificate evidencing the above coverage. Insurance certificates must be endorsed to provide that Buyer shall be notified in writing sixty (60) days prior to any substantial modification or termination of the subject policy.
20. **Tool, Dies, and Material.** Title to, and right of immediate possession of, all tooling, dies and material furnished by Buyer to Seller, or purchased by Buyer from Seller, shall remain with Buyer. The Buyer does not guarantee the quality or suitability of such tooling, dies or material. Tooling subject hereto shall be maintained in good condition and must be permanently identified as the property of Buyer, and shall be used solely in the performance of work ordered by Buyer. Seller shall maintain an inventory control of all such tooling, dies, and materials and such items shall not be commingled with property belonging to Seller or others, except as such material may be incorporated into or attached to supplies, consumed or expended in the performance of the Purchase Order.

Invoices for tooling and/or dies shall be submitted after acceptance by Buyer of samples or production parts for which the tooling was ordered and receipt by Buyer of Seller's certification that each tool listed is satisfactory for the use for which it is intended.

All tools, dies and materials subject hereto shall be fully covered by Seller with fire and extended coverage insurance for the protection of Buyer.

In the event that the Seller fails or refuses to return Buyer's tooling, dies, and materials on demand, Buyer shall be entitled to recover all costs in connection with securing possession of such tooling or dies, including attorney's fees.

21. **Liens.** If this order covers job site work, Seller shall be solely responsible for all claims of whatever nature arising out of non-payment for services, labor and materials furnished or contracted for by Seller while performing work hereunder, including all liens which may be levied against Buyer or its customer. Before final payment, or at any time upon Buyer's request, Seller shall furnish Buyer with an affidavit conforming to the laws of the state in which the work is performed, or in the absence of any such law then an affidavit satisfactory to Buyer setting forth the names and amounts due and remaining unpaid to all persons furnishing services, labor or materials hereunder. Without prejudice to any other right or remedy Buyer may have, Buyer shall have the right to pay directly to all Seller's creditors all such amounts as may be due them and deduct same from payments to Seller.
22. **Use of Buyer's Data.** Unless with the prior written consent of Buyer, Seller shall not use or disclose any data, designs, or other information belonging to or supplied by or on behalf of Buyer, except in the performance of orders to Buyer or the Government where the Government has such rights. Upon Buyer's request, such data, designs or other information and any copies thereof shall be returned to Buyer.
23. **Limitation of Liability.** Nothing in the Purchase Order shall exclude or limit (a) Seller's liability under Sections 15 and 22 hereof, or (b) Seller's liability for fraud, personal injury or death caused by its negligence or willful misconduct.
24. **Laws and Regulations.** In furnishing goods and/or services required under the Purchase Order or any amendment thereto, Seller represents, warrants, and agrees that it shall comply with the provisions of all applicable federal, state and local laws, regulations, and orders. Without limiting the generality of the foregoing, Seller specifically agrees to comply with the following: Occupational Safety and Health Act of 1970 as amended ("OSHA") Toxic Substance Control Act as amended ("TSCA"), and the Fair Labor Standards Act of 1938 as amended ("FLSA").
25. **Applicable Law and Disputes.** All matters arising out of or relating to the Purchase Order shall be governed by and construed in accordance with the internal laws of the State of Ohio without giving effect to any choice or conflict of law provision or rule (whether of the State of Ohio or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Ohio. Any legal suit, action or proceeding arising out of or relating to any Purchase Order or these Terms shall be instituted in the federal courts of the United States of America or the courts of the State of Ohio in each case with jurisdiction over Scioto County, and each party irrevocably submits to the exclusive jurisdiction and venue of such courts in any such suit, action or proceeding.
26. **Chemical Substances Identification.** By acceptance of the Purchase Order, Seller certifies that the chemical substance(s) furnished thereunder have been properly labeled and that proper information of the substance(s), e.g. safety data sheets, have been provided to Buyer pursuant to any federal, state or local legislation.
27. **Assignment.** Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Purchase Order without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations hereunder.
28. **Waiver.** No waiver by any party of any of the provisions of the Purchase Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Purchase Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Purchase Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
29. **Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained in the Purchase Order shall be construed as creating any agency, partnership, joint venture or another form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Purchase Order.
30. **No Third Party Beneficiaries.** Except as set forth in Section 15 hereof, the Purchase Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall

confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

31. **Notices.** All notices, request, 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 Purchase Order 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 the Purchase Order, 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.
32. **Severability.** If any term or provision of the Purchase Order or these Terms and Conditions is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
33. **Survival.** Provisions of the Purchase Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of the Purchase Order.
34. **Battle of the Forms Not Applicable.** The parties have agreed and it is their intent that the battle of the forms under Section 2-207 of the Uniform Commercial Code does not apply to these Terms or to any Purchase Order or acceptance form of Seller. It is the parties' intent that the Purchase Order (incorporating only these Terms) exclusively control the relationship of the parties. In the event of any inconsistency between the Purchase Order and any invoice or acceptance form from Seller to Buyer, the Purchase Order controls.