



**General Terms and Conditions of Sale
Elkamet, Inc.
East Flat Rock, North Carolina**

1. General

The following terms and conditions of sale (as published on the Website of Elkamet, Inc.) shall apply to all goods and services of Elkamet, Inc. (hereinafter referred to as the Seller), regardless of their nature, sold to the Customer. Any terms and conditions proposed or published by the Customer which conflict with or deviate from the following terms shall be inapplicable unless the Seller has expressly consented thereto in writing. The following terms and conditions of sale shall apply to all transactions with the Customer, whether or not they are not expressly accepted by the Customer in any specific instance. All agreements between the Seller and the Customer shall be in writing.

2. Acknowledgements

If this Order is submitted to the Customer as a quotation subject to acceptance, all technical documentation, drawings, plans and manufacturing specifications and other particulars specified by the Seller shall remain the property of the Seller and shall not be disclosed to any other party without the Seller's express prior written consent. The Seller shall be at liberty to revoke a quotation if the Customer fails to accept the same in writing within 2 weeks from its date. If the acceptance differs from the quotation as delivered, the Seller shall be bound only if the Seller agrees to the change in writing. Changes to or amendments of the Order shall only be effective where the same have been confirmed by the Seller in writing.

3. Prices and Payment

Except where otherwise agreed by the parties, all prices are FCA Incoterms 2010 (Free Carrier) Elkamet. All transportation, shipping and packing costs shall be paid by the Customer. Unless otherwise agreed by the Seller in writing, payment is due in full, without discount or deduction for any reason, within 14 days of invoice date. Any amount not paid when due will bear interest at the rate of one percent per month. Any special costs incurred due to special shipping specifications given by the Customer, including costs of insurance if requested by the Customer, shall be paid by the Customer. If the price due to changes in wages, costs of

material or other costs is not fixed for a definite period in the Order, the Seller reserves the right to make reasonable changes in price for goods to be delivered more than three months after the date of Order.

4. Delivery Date

The delivery date specified in the Order is subject to final agreement on all technical terms and full compliance by the Customer with all conditions that must be satisfied prior to delivery.

5. Title and Risk of Loss

Title and risk of loss shall pass to the Customer upon delivery to the carrier.

6. Inspection and Warranty/Liability for Defects

The Seller warrants that all products delivered to the Customer will be unencumbered and free of lien, will conform to the Customer's specifications, will be well made, of good materials, merchantable, fit and sufficient for the purpose intended, and shall be free from all defects in material and workmanship for a period of 12 months after delivery. The Seller's sole responsibility with respect to any goods supplied hereunder which prove to be defective in workmanship or material is to replace or repair the same free of charge, FOB Seller's plant. **Except as specifically provided in this Agreement, there are no other warranties, express or implied, in respect of the goods, including but not limited to any implied warranties of merchantability, fitness for a particular purpose or non-infringement.** Seller shall have no liability for any special, indirect, consequential or incidental damages.

7. Retention of Title

The Seller hereby expressly reserves a security interest in all goods delivered under this Agreement until the price of such goods has been paid in full. If the Customer fails to make a payment when due, the Seller shall have and may exercise all rights available to the Seller under the Uniform Commercial Code, including, but not limited to, the right to enforce its security interest and (a) retake possession of the goods by any lawful means; (b) stop further delivery of any goods to the Customer; (c) proceed under Uniform Commercial Code section 2-704 respecting goods still

unidentified to the contract; (d) resell the goods and recover damages; (e) recover damages for the price; and (f) cancel this Agreement and all uncompleted Orders.

Any resale of goods under (d) above may be at public or private sale, including sale by way of one or more contracts to sell or of identification to an existing contract of the Seller. Sale may be as a unit or in parcels and at any time and place and on any commercially reasonable terms. Where the resale is at public sale, only goods specifically identified to the Order can be sold, except where there is a recognized market for a public sale of futures in goods of the kind, and the sale must be made at a usual place or market for public sale if one is reasonably available and, except in the case of goods which are perishable or threaten to decline speedily in value, the Seller must give the Customer reasonable notice of the time and place of the resale.

If the goods are not to be within the view of those attending the sale, the notice of sale must state the place where the goods are located and provide for their reasonable inspection by prospective bidders.

The Seller may buy at such resale and is not accountable to the Customer for any profit made on any resale. In addition, the Seller may recover from the Customer any incidental damages and costs reasonably incurred in the resale.

8. Force Majeure

Neither party will be liable for any loss or damage whatsoever, and shall be excused from the performance of its obligations under this Agreement for any period and to the extent that such performance is prevented, in whole or in part, as a result of delays caused by the other party or, any act of nature or the public enemy, including but not limited to, wars, terrorism, epidemic, civil disturbance, act of government, court order, labor dispute, third party nonperformance, or other cause beyond its reasonable control, and such non performance will not be a default hereunder or grounds for termination hereof. Such affected party shall give written notice to the other party of any such event as soon as commercially practicable and each party will use commercially reasonable efforts to mitigate any such event and its consequences on their performance hereunder.

9. Tools and Molds

Unless otherwise expressly agreed by the parties in writing, all tools and molds are and will remain the property of the Seller. If, with the mutual

agreement of the Customer and the Seller, the Seller produces (or has produced for it) molds for the production of special components for the Customer's goods, such molds shall be the property of the Seller, but the Seller shall use such molds only for the Customer's Orders as long as the Customer is not in default of any of its obligations under this Agreement. The Seller will replace these tools free of charge only if necessary to produce a quantity of goods expressly confirmed to the Customer by the Seller. The Seller's obligation to store such molds expires after a 2-year period of non-usage, beginning on the date of the last delivery of items produced from such molds, and prior notification to the Customer. The tool prices quoted to the Customer include the costs for one-off sampling, but not the costs of test and machining equipment or any changes initiated by the Customer.

10. Choice of Law and Jurisdiction

This Agreement shall be construed and enforced under and in accordance with the laws of the State of [North Carolina] including, without limitation, the Uniform Commercial Code as in effect in that State, but without regard to conflicts of law principles. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable for any reason, such provision shall be deemed null and void, but the remainder of this Agreement shall remain in force and effect in accordance with its terms. The Customer hereby agrees that any legal action arising under this Agreement shall be heard in any federal or state court located in the State of [North Carolina] and irrevocably consents to the jurisdiction of such courts and waives any objection to such jurisdiction to the fullest extent permitted by law.