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Ramco Purchase Order Terms and Conditions

Effective Date: ____ February 8th, ____ 2018

1. Scope

- i. This document (“Terms and Conditions”) shall apply to the purchase of goods and services by Ramco Specialties, Inc. or its subsidiaries and affiliates (collectively, “Ramco”) from supplier to Ramco (“Supplier”), on and after the effective date hereof.
- ii. Except only as otherwise specifically provided herein, THE TERMS AND CONDITIONS CONTAINED HEREIN ARE EXCLUSIVE and none of such terms may be added to, modified, superseded or altered except by written agreement or modification hereof signed by an authorized representative of Ramco and Supplier, notwithstanding any terms which may now or in the future appear on Supplier's invoices, quotations, acknowledgments or other forms (notification of objection thereto being given hereby).

2. Offer and Acceptance and Terms of Order

- i. Each purchase order or shop order (collectively, the “Order”) issued by Ramco is an offer to Supplier for the purchase of goods, material, services and/or labor (all, whether or not physical property or goods, shall be referred to in these Terms and Conditions as the “Goods”). An Order may be transmitted by mail, courier, facsimile, electronically or by telephone (with confirmation of such telephonic order in writing by Ramco) The Order includes and is governed by the (a) express terms contained on the face of the Order, (b) the terms contained in any addendum or supplement to the Order, (c) these Terms and Conditions, (d) Ramco’s Supplier Manual and other Quality policies and guidelines, and (e) any other document incorporated by reference by Ramco in the Order or by these Terms and Conditions (collectively with the Order, the “Purchase Agreement”).
- ii. In case of any conflict between these Terms and Conditions and another portion of the Purchase Agreement, the latter shall prevail.
- iii. Any of the following actions by Supplier shall express Supplier’s acceptance of the Purchase Agreement: (a) written acceptance, (b) commencement of work on the Goods subject to an Order, (c) shipment of processed Goods, (d) commencement of processing of all or any portion of the Goods subject to the Order, (e) failure to object in writing to the Order within ten (10) days of receipt of the Order, and (f) conduct that indicates Supplier’s acceptance, including preparation of tooling or materials for Goods subject to the Order.
- iv. If Supplier objects to the Purchase Agreement, Supplier’s objections are deemed waived if Supplier subsequently commences work on the Goods, ships the Goods or performs any services requested in an Order without an express written modification to Purchase Agreement made by Ramco.
- v. Any proposal for additional or different terms or any attempt by Supplier to modify or change the Purchase Agreement, whether in Supplier’s quotation form, acknowledgement form, invoice,



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correspondence or otherwise, shall be deemed material and is hereby objected to and rejected by Ramco. Any such proposal or attempted variance shall not operate as a rejection of the subject Order if Supplier accepts Ramco's Order by undertaking any of the actions in Section 2 (iii) above. In the case of such actions, the Order shall be deemed accepted by Supplier without any additional or different terms or variations whatsoever.

- vi. A new Order and the other components of the Purchase Agreement constitute the entire agreement between Ramco and Supplier and, unless otherwise agreed in writing by Ramco and Supplier, supersedes all prior agreements, orders, quotations, proposals and other communications relating to the subject matter of the Purchase Agreement. There are no other understandings or agreements, verbal or otherwise, in relation hereto that exist between Ramco and Supplier. Reference to any such prior Supplier offer or proposal is solely to incorporate the description or specifications of the Goods in such offer or proposal, and only to the extent that such description or specifications are not directly in conflict with the description and specifications in the new, subject Purchase Agreement. Any additional or different terms in such prior offer or proposal shall be deemed material and are hereby objected to and rejected by Ramco. Ramco may cancel all or any part of a new Purchase Agreement at any time, prior to Ramco's actual knowledge of acceptance by Supplier.
- vii. Ramco shall have the right at any time to change any Order, whether by adjustment order or otherwise, as to specifications, delivery, packaging, means of shipment or otherwise. If any such change is expected to result in either additional or reduced cost to Supplier, Supplier must promptly inform Ramco of such fact and Ramco and Supplier will agree upon an adjustment in the price, delivery or other terms of the Order to reflect the change. Supplier shall make no change in the Goods or any material or labor covered by the Purchase Agreement, whether by change in or departure from specifications, design, manufacture, process, machinery, dies and molds, standard or method, material or composition without Ramco's prior written consent.

3. Time Period and Volume of Order

- i. Supplier shall supply the Goods to Ramco during the entire term of the Purchase Agreement. If an expiration date or time period is specified in the Purchase Agreement, the Purchase Agreement is binding until such expiration date or end of such time period, subject to Ramco's decision to terminate the Purchase Agreement.
- ii. If no Order is entered into with respect to supply time-period expectations, Supplier shall supply the Goods to Ramco as long as Ramco supplies the Goods or the products to any customer of Ramco (collectively, "Customer").
- iii. Supplier's obligation also extends to service and replacement part requirements that may survive the termination of Ramco's program with a Customer.
- iv. Any estimates or forecasts of production volumes or length of program, whether from Ramco or Ramco's Customers, are subject to change from time to time, with or without notice to Supplier. The estimated volumes shall not be binding upon the terms of a Purchasing Agreement, nor a specific Order. Unless otherwise expressly stated, Ramco makes no representation, warranty, guarantee or commitment of any kind or nature, whether express or implied to Supplier, in respect of Ramco's quantitative requirements for the Goods or the term of supply of the Goods.
- v. Unless otherwise expressly stated in writing, Ramco shall not be required to purchase the Goods exclusively from Supplier.

4. Customer Requirements

- i. Where the Goods under the Purchase Agreement are or will be sold, or incorporated into goods or services that are or will be sold, by Ramco to a Customer, Supplier shall take such steps, provide



such disclosure, comply with such requirements and do all other things as Ramco deems necessary or desirable and within Supplier's control to enable Ramco to meet Ramco's obligations under the terms and conditions of any contract or purchase order or other document (the "Customer Terms") that may be applicable to Ramco from time to time in respect of its direct or indirect supply of such goods or services to the Customer, including: delivery, packaging and labeling requirements; warranties and warranty periods; intellectual property rights and indemnification; confidentiality; access to facilities and records; and replacement and service parts. Ramco may, from time to time, in its sole discretion, provide Supplier with information regarding the applicable Customer Terms, but, in any event, Supplier shall be responsible for ascertaining the Customer Terms that may affect Supplier's obligations hereunder and hereby agrees to be bound to such Customer Terms.

- ii. If there is any conflict between the provisions of the Customer Terms and any provisions of an Order, Ramco shall have the right to have the provisions of the Customer Terms prevail to the extent necessary or desirable to resolve such conflict.
- iii. In the event a Customer fails to pay Ramco for products incorporating the Goods supplied by Supplier, Ramco reserves the right to assign to Supplier the right to collect such amounts from the Customer, in whole or in part, and Supplier agrees to accept such assignment as payment for any invoices due from Ramco to Supplier on a dollar for dollar basis.
- iv. In addition to any other rights or remedies provided for in the Purchase Agreement, if the Customer directed, recommended or requested that Supplier be the source from whom Ramco is to obtain the Goods: (i) Ramco will pay Supplier for the Goods only after and to the extent of, and in proportion to, Ramco's actual receipt of payment from the Customer for those goods into which the Goods are incorporated; (ii) any lengthening of the Customer's payment terms to Ramco for those goods into which the Goods are incorporated will automatically lengthen the payment terms as between Ramco and Supplier by the same amount of time; and (iii) within three (3) business days of any change in price, specifications or other terms negotiated or proposed between Supplier and the Customer, Supplier shall notify Ramco in writing and immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on Ramco without Ramco's specific written consent.

5. Prices and Payment

- i. As part of the Purchase Agreement, Ramco and Supplier shall agree in writing on the price for the Goods, prior to the issue of an Order.
- ii. All quotations and all prices set forth in or with reference to each Order shall be (a) F.O.B. the place of delivery specified by Ramco, and (b) inclusive of the cost of loading Goods onto Ramco's truck(s) (and/or such other means of transportation as has been selected by Ramco), and all costs, taxes, excises, duties, fees and rates that Supplier will charge Ramco for the production, packaging, sale or transportation of the Goods, except only as otherwise specified by Ramco in the Order.
- iii. Supplier warrants that any additional surcharges or premiums that may arise, outside of the terms of the Purchase Agreement, are solely the responsibility of Supplier. No surcharges or premiums outside of the scope of the Purchase Agreement shall be added without Ramco's written consent. Supplier expressly assumes the risk of any event or cause (whether or not foreseen) affecting such prices, including any foreign exchange rate changes, increases in raw materials costs, inflation, increases in labor and other manufacturing costs.
- iv. Supplier shall ensure that the Goods remain competitive, in terms of price, technology and quality, with substantially similar goods and services available to Ramco from other suppliers.
- v. Supplier warrants that the prices for the Goods are, and shall remain, not less favorable to Ramco than the prices currently extended to any other customer of Supplier for the same or substantially



similar goods or services in the same or substantially similar quantities and delivery requirements. If Supplier reduces the prices of such same or substantially similar goods or services during the term of an Order, Supplier shall reduce the prices correspondingly for Ramco.

- vi. The term of payment for delivered Goods shall be 60 days, net calculated from the later of: (a) the day the invoice was received by the addressee at Ramco, or (b) the day the Goods were received by Ramco.
- vii. If a Customer directly suffers an Insolvency Event (defined in Section 19) and, in the course of any proceedings relating to such Insolvency Event and in connection with actual or threatened termination by the Customer of its contract(s) with Ramco (by rejection or otherwise), Ramco permits a reduction in the prices paid to Ramco for products incorporating the Goods, then the prices paid to Supplier for the Goods from and after the date of such reduction will be automatically adjusted proportionally by the same percentage as the price paid to Ramco to its Customer, and this Purchase Agreement will otherwise remain in effect without modification.
- viii. If a Customer fails to pay Ramco for products incorporating the Goods supplied by Supplier, Ramco may assign to Supplier the right to collect such amounts from the Customer, in whole or in part, and Supplier agrees to accept such assignment as payment for any invoices due from Ramco to Supplier on a dollar for dollar basis.

6. Payment Deductions and Recoupment

- i. In addition to any right of set-off or recoupment provided by law, all amounts due to Supplier shall be considered net of indebtedness or obligations of Supplier and its subsidiaries and affiliates to Ramco. Ramco may set-off against, deduct or recoup from any amounts due to Supplier, irrespective of the timing and legal relationship from which the claims and debts arise. Ramco may do so without notice to Supplier. If any obligations of Supplier or its subsidiaries or affiliates to Ramco are disputed, contingent, or unliquidated, including Customer warranty claims made before final determination of cause, Ramco may defer payment of amounts due until such obligations are resolved.
- ii. In the case of dispute between Ramco and Supplier over any claim in Section 6 (i) above, the non-conformity or defectiveness of Goods, packaging, or otherwise, Supplier must continue to perform its obligations under the Purchase Agreement during such dispute, including but not limited to the production and timely delivery of the Goods.

7. Delivery

- i. Ramco's Orders are placed with due dates based on the date of expected arrival at Ramco, in consideration of Ramco's chosen method of transportation. Unless Ramco and Supplier have agreed to alternative means of transportation (such as Supplier to arrange transportation to Ramco), Supplier shall have product ready to ship, in-advance, to account for expected transit time.
- ii. Supplier shall prepare the Goods in the quantities and accounting for the delivery dates and times specified in the Order. Supplier shall immediately notify Ramco, in writing, if Supplier is unable to deliver the goods in the quantities and on the delivery dates and times specified in the Order.
- iii. Except for instances in which there is an Excusable Delay (defined below), Supplier shall compensate Ramco for all direct and indirect damage and costs arising out of any late performance, including loss of goodwill, costs related to delays in production, reduced speed of the assembly line, expedite charges, premium freight, or production interruption. Supplier shall have contingency resources available to ensure that Ramco's Goods will not be impacted by such delays in production, reduced speed of the assembly line, expedited charges, premium freight, or product interruption.



- iv. All charges and expenses, including production changes, additional labor, additional transportation charges and cover, of and resulting from Supplier's failure to make delivery in compliance with the times or quantities specified in the Order shall be borne and paid by Supplier.
- v. If Supplier fails or refuses to proceed with an Order or fails to deliver the Goods within the delivery dates and times specified in the Order, Ramco may, without limiting or affecting its other rights or remedies available under the Purchase Agreement or at law, cancel the then remaining balance of the Order, unless the delay is an Excusable Delay.

8. Excusable Delay

- i. Either Ramco or Supplier may suspend performance during the occurrence of an "Excusable Delay," which term shall mean and include any delay in making or accepting deliveries or performance which results without fault or negligence on the part of Supplier, and which is due to causes beyond its reasonable control, such as acts of God or of a public enemy, any preference, priority or allocation order issued by government or any sudden act of government, fires, floods, epidemics, quarantine restrictions, freight embargoes, unusually severe weather, explosions, riots, war, terrorism and delays of a supplier due to such causes. The term "Excusable Delay" shall not, however, mean or include any delay arising from or as a result of: (a) Supplier's financial difficulties; (b) a change in cost or availability of materials or components based on market conditions or supplier actions affecting Supplier; or (c) any labor strike or other labor disruption applicable to Supplier or to any of its subcontractors or suppliers that are engaged in manufacturing or providing goods or services to Supplier in connection with Supplier's obligations under the Order.
- ii. If Supplier discovers any fact which may, or could with the passage of time, result in an Excusable Delay, Supplier will immediately (a) advise Ramco of such fact, and (b) use its best efforts in taking all measures and precautions to reduce the effect of the Excusable Delay upon Ramco's needs for the Goods.
- iii. An Excusable Delay shall not constitute a default under the Purchase Agreement, provided, however, if Supplier is subject to one or more Excusable Delays that persist for more than 30 days in the aggregate, Ramco may cancel the then-remaining balance of an Order, without limiting or otherwise affecting its other rights or remedies available under the Purchase Agreement or at law.
- iv. Supplier, at its expense, shall use its best efforts to mitigate any adverse effects or costs to Ramco due to any actual or potential delay, including: (i) the implementation of a production contingency plan; and (ii) upon Ramco's express written authorization, increasing Supplier's inventory of finished Goods to a level sufficient to sustain deliveries during such delay.
- v. Whenever any actual or potential delay threatens to delay deliveries or Supplier's performance under this Order, Supplier shall immediately give written notice thereof to Ramco. Such notice shall include all relevant information with respect to such delay, including the anticipated duration and impact of such delay. In addition, Supplier will notify Ramco in writing: (i) at least sixty (60) days prior to the expiration of any labor contract or collective agreement; and (ii) as soon as Supplier becomes aware of any actual or threatened labor strike or other labor disruption; in each case as may be applicable to Supplier or to any of its subcontractors or suppliers that are engaged in manufacturing or providing goods or services to Supplier in connection with Supplier's obligations under the Purchase Agreement.
- vi. Ramco may delay acceptance of delivery of the Goods by reason of an Excusable Delay, in which case Supplier shall hold the Goods at Ramco's direction, until the cause of the Excusable Delay has been removed.

- vii. If, under the terms of the Purchase Agreement, Ramco grants Supplier exclusive or “single source” rights to supply the Goods to Ramco, such rights shall not restrict Ramco’s right to procure goods or services similar to the Goods in substitution therefor in the event of any delay.
- viii. Without limiting Supplier’s obligations hereunder, in the event of any supply allocation by Supplier, including as a result of an Excusable Delay, Supplier shall give preference to Ramco for all of the Goods ordered under the Purchase Agreement.

9. Labeling, Packaging, Shipment, and Documentation

- i. Ramco Goods are to be suitably prepared for shipment and must be labeled, packed and shipped as required by federal, provincial, state, and local laws, as well as conforming with any health, safety, environmental, or transportation directives as identified by authorized federal, state, or local bodies. In addition, the Goods shall be labeled, packed and shipped in accordance with (a) industry standards, (b) Ramco’s specifications in the Order, and (c) in any written directions or instructions as may be provided by Ramco from time to time. If the Goods are shipped improperly, Supplier shall pay or reimburse Ramco for any excess costs occasioned thereby.
- ii. Goods delivered in excess of the quantities or in advance of delivery dates or times specified in the Order shall be at Supplier’s risk and may be returned to Supplier by Ramco, and all transportation charges both to and from the original destination shall be paid by Supplier. Ramco shall not be required to make payment for any Goods delivered to Ramco that are in excess of the quantities specified in the Order. Unless otherwise expressly stated in the Order or authorized in writing by Ramco, Supplier shall not make any commitments for raw materials or other inventory or manufacture any Goods in advance of the time necessary to permit shipments on the delivery dates. Ramco may, on notice to Supplier, change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Supplier to a modification of the price of the Goods covered by the Order.
- iii. Supplier warrants that any representation made in a quote or otherwise regarding its production capacity shall be considered a warranty that Supplier can manufacture or produce the stated quantity of the Goods without the imposition of overtime charges or other surcharges.
- iv. Unless otherwise expressly stated in the Purchase Agreement, Supplier shall not charge Ramco for labeling, packing, boxing, or crating.

10. Design and Process Changes

- i. Ramco reserves the right to make changes, or to cause Supplier to make changes, to the drawings, specifications, sub-suppliers, sub-contractors, and other provisions of the Purchase Agreement. If any such change results in an increase or a decrease in the cost of, or the time required for, manufacturing or delivering the Goods, an equitable adjustment may be made in the price or delivery schedule, or both, and the Purchase Agreement shall, subject to the agreement of Ramco and Supplier, be modified in writing accordingly. No claim under this Section shall be asserted by Supplier after fourteen (14) days following the notification of the change by Ramco.
- ii. Supplier shall not, without Ramco’s prior written authorization, make any changes to specifications, designs, materials or part numbers (or other types of identification), any major changes in processes or procedures, or any changes in the location of the facilities used by Supplier for the performance of its obligations under the subject Order.

11. Auditing and Non-conforming Goods

- i. Supplier will submit to Ramco all production, functional and quality control test reports and other data pertaining to those Goods purchased in an Order, as may be requested from time to time



concerning the Goods. In order that Ramco can ensure quality control, Supplier grants to Ramco the right to enter Supplier's premises during any reasonable business hours to make such inspections and examinations as Ramco may deem appropriate and agrees to fully cooperate with Ramco in effecting such inspections and examinations. In addition, all Goods received are subject, at Ramco's option, to Ramco's inspection subsequent to arrival at Ramco's plant or designated place of delivery. Payment by Ramco for any Goods does not indicate or constitute acceptance and neither inspection nor payment shall relieve Supplier of its responsibility to furnish conforming Goods.

- ii. Supplier expressly warrants that the Goods provided by Supplier will (1) conform to and be manufactured in accordance with all specifications provided by Ramco and will be subject to a system administered by Supplier (and acceptable to Ramco) for the identification, segregation, and positive control of defective items of the Goods; (2) be in compliance with all applicable laws, regulations, rules, ordinances or orders, and agency, association and other standards (collectively, "Laws") applicable to the manufacture, packaging, labeling, transportation, licensing, approval or certification thereof, whether foreign or domestic, including by way of illustration and not by way of limitation, the Occupational Health and Safety Act, the Fair Labor Standards Act, any law or order pertaining to discrimination, any law or order pertaining to the US Department of Agriculture, the National Traffic and Motor Vehicle Safety Act (and Federal Motor Vehicle Safety Standards prescribed thereunder); (3) be merchantable; (4) be free from any defects in design, to the extent furnished by Supplier or any of its subcontractors or suppliers, even if the design has been approved by Ramco; (5) be free from any defects in materials and workmanship; (6) be fit, sufficient and suitable for the particular purpose for which Ramco intends to use the Goods, including the specified performance in the component, system, subsystem and location and the environment in which they are or may reasonably be expected to perform. For the purposes of clause (6) above, Supplier acknowledges that Supplier knows the particular purpose for which Ramco intends to use the Goods.
- iii. If any of the Goods fail to meet the design or any other aspect of the Purchase Agreement, Supplier shall, upon notice thereof from Ramco at any time, promptly repair, replace or otherwise satisfactorily deal with the same in a manner acceptable to Ramco, all at Supplier's expense and without limiting or affecting Ramco's other rights or remedies available under the Purchase Agreement or at law. Supplier's warranties shall also apply to such repaired, replaced or otherwise satisfactorily dealt with the Goods.
- iv. If Supplier fails to repair, replace, or otherwise deal with any defective or non-conforming Goods in a manner acceptable to Ramco, Ramco may, without limiting or affecting other rights or remedies available under the Purchase Agreement or at law, cancel the Order as to the particular Goods and/or cancel the then remaining balance of the Order.
- v. After notice to Supplier, all defective or non-conforming Goods shall be held at Supplier's risk. Ramco may, and at Supplier's direction shall, return such defective or non-conforming Goods, and Supplier shall promptly pay all transportation and other applicable charges, both to and from the original destination.
- vi. Any payment made by Ramco for defective or non-conforming Goods shall be refunded by Supplier, except to the extent that Supplier promptly replaces or corrects the same at Supplier's expense.
- vii. If Supplier fails to respond to Ramco's initial notice of non-compliance within 10 days, Ramco may (without limitation or exclusion of any other right) return the defective Goods to Supplier or dispose of the defective Goods in such manner as it deems lawful and appropriate. In the event that Ramco either disposes of or returns the defective Goods, Supplier shall refund and return to Ramco the cost of the defective Goods plus freight or disposal cost, as applicable.
- viii. The above warranties extend to the future performance of the Goods for a period of time equal to the period during which Ramco is required to reimburse its Customer for consumers' warranty claims, and for such longer period(s) that may be set forth in the specifications for the Goods. However, the expiration of a warranty on a particular consumer's product is not to be considered an



absolute bar to future claims of Ramco against Supplier resulting from, by way of example, individual extensions of warranty as a matter of policy or replacement of Goods in the event of recall or other safety-related concerns.

12. Confidentiality and Non-Circumvention

- i. Any patented or unpatented knowledge or information concerning the products, pricing, production or other methods, processes, scheduling, sources of supply, Customers, marketing, or otherwise of Ramco or Customers which any such party may disclose to the any other party attendant or incident to this Agreement shall be deemed to have been disclosed as part of the consideration hereunder and shall not be given other use, shall be retained in confidence by Supplier representatives to which disclosed and made available only to such supplier's employees and agents having a need to know, and, to the extent represented by or in samples, writings, drawings or other tangibles, shall be returned simultaneously with termination of an Purchasing Agreement or at any time upon demand.
- ii. Any Goods provided by Supplier will be free of lawful claims of all persons and governments. Notwithstanding the foregoing, Supplier makes no representation regarding any right and title to any intellectual property or other property rights in the product designs or specifications provided by Ramco.
- iii. During the time period that an Order remains in effect, Supplier warrants that it will not supply Goods directly to Customers, when the Good designs or specifications have originated from Ramco. This warranty remains in effect, regardless of whether it is Supplier or Ramco's Customer who solicits for the circumvention of Ramco. In the finding of such a case, Supplier acknowledges that it shall be held financially responsible for the commercial value of the volume Ramco has lost.

13. Insurance

- i. Supplier shall obtain and maintain insurance in amounts and coverages reasonably satisfactory to Ramco, and shall provide a valid insurance certificate to Ramco at Ramco's request. The insurance coverage shall include liability insurance, product liability insurance and insurance regarding production interruptions (also covering Ramco and its Customer). Ramco may take out such insurance at Supplier's sole expense if Supplier fails to supply evidence of the above-mentioned insurance.
- ii. Except to the extent of comparable insurance acceptable to, or express written waiver by, Ramco, Supplier will, or will cause any carrier engaged by Supplier to, insure all shipments of Goods for full value.

14. Materials, Equipment, Tools, and Facilities

- i. Unless otherwise expressly stated in the Purchase Agreement, Supplier shall supply at its own expense all materials, equipment, tools, jigs, dies, fixtures, patterns, drawings, specifications, samples and facilities required to perform the Purchase Agreement (the "Supplier's Property"). Supplier grants Ramco an irrevocable option to take possession of and title to the Supplier's Property that is special for the production of the Goods, upon payment to Supplier of its net book value less any amounts that Ramco has previously paid to Supplier for the cost of such items; provided, however, that this option shall not apply if the Supplier's Property is used to produce goods that are the standard stock of Supplier or if a substantial quantity of similar goods are being sold by Supplier to others.

- ii. Notwithstanding any other provision in this Order, Supplier expressly acknowledges and agrees that: (i) all materials, parts, components, assemblies, equipment, tools, jigs, dies, fixtures, patterns, drawings, specifications, samples and facilities, including any replacements thereof, any materials affixed or attached thereto and any special tooling produced by Supplier for the performance of its obligations under the Purchase Agreement (“Tooling”), that are furnished to Supplier or specifically paid for, in whole or in part, by Ramco (including pursuant to subparagraph 17(i)) or by the Customer; and (ii) all of the Goods that have been paid for, in whole or in part, by Ramco, whether or not Ramco has exercised its rights of inspection in respect thereof (all items in clauses (i) and (ii) above, collectively the “Ramco’s Property”), shall be held by Supplier on a bailment basis and remain the property of, with both title and the right of possession in, Ramco and without limitation to any rights and remedies available hereunder or at law. The Ramco’s Property, while in Supplier’s custody or control or while in the custody or control of Supplier’s suppliers, contractors or agents, shall be held at Supplier’s risk, shall be kept insured by Supplier at Supplier’s expense against loss or damage in an amount equal to the replacement cost thereof, and shall be subject to removal at Ramco’s written request. Supplier shall promptly notify Ramco of the location of the Ramco’s Property, if any are located at any place other than Supplier’s facility. Unless otherwise expressly stated in this Order, Supplier shall maintain accounting and property control records for the Ramco’s Property in accordance with sound industrial practices. Supplier shall, at Supplier’s expense, maintain the Ramco’s Property in good condition and repair, and shall replace any of the Ramco’s Property if, as and when necessary or reasonably required. Ramco does not provide any warranties with respect to the Ramco’s Property. Upon completion or termination of this Order, Supplier shall retain on a bailment basis for Ramco, as aforesaid, the Ramco’s Property still then in the physical possession of Supplier, at Supplier’s expense, until disposition directions are received from Ramco. Upon receipt of Ramco’s demand or disposition directions, Supplier shall, at Supplier’s expense, prepare the Ramco’s Property for shipment and shall deliver it to such locations as may be specified by Ramco. The Ramco’s Property shall be in no less than the same condition as originally received by Supplier, reasonable wear and tear excepted. If Ramco or Supplier defaults under the Purchase Agreement, Supplier shall upon Ramco’s demand immediately deliver the Ramco’s Property to Ramco and, if Ramco so requests, grant Ramco access to Supplier’s premises for the purpose of removing the Ramco’s Property.

15. Patents, Trade Secrets, Know-How

- i. In the absence of Ramco’s prior written agreement to the contrary, all inventions, products, processes, apparatus or designs, patentable or unpatentable, conceived, invented or originated by Ramco, Supplier, or Customers before the date of the Purchase Agreement shall remain the property of such party.
- ii. If, during the term of the Purchase Agreement, Ramco and Supplier engage in joint research or development activities related to the goods or otherwise in connection with the Purchase Agreement, Ramco and Supplier shall agree in writing on the ownership of patents, design patents, or other industrial or intellectual property rights to inventions, devices, or designs to be achieved or developed in such joint activities before commencing any or each such development activity. In the absence of such written agreement with respect to such joint development activity, ownership of patents, design patents, or other industrial or intellectual property shall belong to Ramco.
- iii. Supplier shall not manufacture or provide, or offer to manufacture or provide, any goods or services that are based in whole or in part upon Ramco’s intellectual property and/or the drawings or specifications in respect of the Goods, or any derivative thereof, whether for its own purposes (other than to satisfy its obligations under an Order), for any Customer or any other third parties, without Ramco’s prior written consent.

16. Supplier Compliance with Code of Conduct and Laws

- i. Supplier shall be in compliance with all federal, provincial, state and local laws, ordinances, rules, codes, standards and regulations that are applicable to the industry and the Purchase Agreement.
- ii. Supplier warrants that: (a) neither it nor any of its subcontractors or suppliers will either engage in or permit substandard working conditions in the supply of the Goods; (b) child labor or underage labor, as defined by applicable law, will not be utilized; (c) it will not allow any form of forced or compulsory labor; (d) workers shall be protected against any form of harassment and discrimination in any form, including but not limited to gender, age, religion, disability and political beliefs; (e) workers shall have a safe and healthy workplace that meets or exceeds all applicable standards for occupational health and safety; (f) workers shall be compensated with wages and benefits that comply with applicable law, including minimum wages, overtime hours and legally mandated benefits; and (g) working hours shall comply with all applicable laws regulating hours of work.
- iii. Upon request, Supplier shall furnish Ramco with such written verification as Ramco deems necessary to certify the origin of any ingredients or materials in the Goods. Supplier shall also promptly furnish to Ramco all documents and other information requested by Ramco so that Ramco may comply in a timely manner with all applicable laws governing consumer protection, conflict minerals or similar materials or ingredients.

17. Indemnity

- i. Supplier will indemnify, defend and hold harmless Ramco, its Customers, affiliates, and distributors, and their respective directors, officers, employers, agents, successors and assigns (collectively, "Indemnified Parties") from and against all costs, fees, penalties, expenses, damages, attorneys' fees and all other liabilities whatsoever ("Losses") arising out of any demand or any civil, criminal, administrative or investigative claim, action or proceeding asserted, commenced or threatened against any Indemnified Party (collectively, "Claims") which arises from or relates to any of the following:
 - a. Supplier's breach or any representation, warranty or covenant in the Purchase Agreement, including claims of infringement of any trade names, trademarks, service marks, copyrights, patents, trade secrets, or any other intellectual property rights related to the Goods (except for any claims relating to the Specifications provided by Ramco) and/or Ramco's sale or use thereof,
 - b. Supplier's performance under the Purchase Agreement, or the performance by Supplier's employees, subcontractors, associates, consultants, agents or other representatives,
 - c. Any recall campaign, service campaign, corrective action, or other voluntary or involuntary action or effort in which Ramco participates with respect to the Goods to the extent caused by Supplier's production of the Goods,
 - d. Supplier's failure to comply with Section 15.
 - d. Damages to property or injuries or death to persons arising out of acts or omissions of Supplier's representatives in performance hereunder or other actions or omissions at Ramco's premises, including without limitation (I) the failure of any of Supplier's representatives to comply with all applicable rules and regulations (Ramco's and otherwise) governing security, maintenance and safety at or about Ramco's premises, (II) any Claim against Ramco by or on behalf of any of Supplier's representatives for injury or otherwise, or (III) any Claim against Ramco resulting from Supplier's failure to maintain workers' compensation or other public or private insurance with respect to any of Supplier's representatives. In furtherance of and to the extent necessary to effectuate

the foregoing, Supplier hereby expressly waives any and all statutory, constitutional and/or other immunity to which, but for this waiver, it might be entitled (A) as an employer in compliance with the State of Ohio's or other applicable workers' compensation laws or (B) under any other employee benefit statutes or similar laws of any jurisdiction.

- ii. The foregoing indemnity, response and defense obligations of Supplier shall not apply to the extent Claims arise solely due to the negligent acts or omissions of the Indemnified Parties.

18. Termination for Convenience Upon Notice.

- i. In addition to any other rights of Ramco to terminate an Order, Ramco may, in its sole discretion, upon thirty (30) days prior written notice to Supplier or, if applicable, such shorter period as may be required by the Customer, terminate an Order for convenience or any other reason, in whole or in part at any time, and notwithstanding the existence of any Excusable Delay or other events or circumstances affecting Supplier. Ramco's notice to Supplier may be given by facsimile, e-mail or other form of electronic transmission, and shall state the extent and effective date of termination. Supplier may not terminate an Order for convenience or any other reason, except as otherwise expressly provided in the Purchase Agreement.
- ii. Upon receipt of notice of termination from Ramco, Supplier shall, to the extent directed by Ramco or its representatives: (i) stop work under the applicable Order and any other orders related to work terminated by such notice; and (ii) protect all property in Supplier's possession or control in which Ramco has or may acquire an interest, including Ramco's property. Supplier shall promptly submit to Ramco any claims relating to such termination, and in any event within twenty one (21) days (unless Ramco agrees otherwise) from the effective date of such termination. Supplier hereby grants Ramco the right to audit and inspect its books, records and other documents relating to any termination claims.
- iii. In addition to making payment of the price specified in the Order for the Goods delivered or performed and accepted by Ramco prior to the effective date of termination, Ramco may pay Supplier additional costs incurred by Supplier, in Ramco's sole discretion. Notwithstanding the foregoing, Ramco shall not be obligated to make any payment for: (x) Goods or work-in-process or parts or raw materials inventory that are manufactured, provided or procured by Supplier in amounts in excess of provided in an Order, that are damaged or destroyed or that are not merchantable or useable; (y) any undelivered Goods that are in Supplier's standard stock or that are readily marketable; or (z) work-in-process or parts or raw materials inventory that can be returned to Supplier's suppliers or subcontractors for credit. Payments made in connection with a termination of under Section 17(i) shall not exceed the aggregate price for the Goods that would be manufactured or provided by Supplier under any Order outstanding at the effective date of termination. Except as provided in this Section 17(iii), Ramco shall not be liable for and shall not be required to make payments to Supplier, directly or indirectly (whether on account of claims by Supplier's subcontractors or otherwise), for any loss arising from or attributable to failure to realize anticipated revenue, savings or profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation cost or general and administrative burden charges from a termination of an Order. In the event of a termination of an Order by Ramco as a result of Ramco ceasing to be a supplier to Ramco's Customer in respect of which Ramco issued such Order, Ramco shall only be obligated to compensate Supplier for any costs under this Section if, when and to the extent that the Customer reimburses Ramco for such costs.
- iv. Supplier may, with Ramco's prior written consent, retain or sell at an agreed price any of the Goods, work in process or raw materials inventory, the cost of which is allocated or apportioned to an Order, and shall credit or pay the amounts so agreed or received as Ramco directs, with an appropriate adjustment for any delivery cost savings. Supplier shall, if directed by Ramco, transfer title to and make delivery of any Goods, work in process or raw materials inventory not so retained or sold.

19. Termination Upon Supplier's Default or Change of Control

- i. Ramco may terminate an Order, in whole or in part, for default occasioned by Supplier's: (i) breach of any terms of the Purchase Agreement; (ii) failure to perform in accordance with the requirements of the Purchase Agreement; or (iii) failure to make progress so as to endanger timely and proper delivery of the Goods and, in each such case, Supplier does not cure or correct such breach or failure within ten (10) days (or such shorter period of time as Ramco may determine, if commercially reasonable under the circumstances) after receipt of written notice from Ramco specifying such breach or failure. Supplier shall be liable for all costs, damages and expenses caused by or resulting from its default under the Purchase Agreement.
- ii. Ramco may terminate any Order, in whole or in part, in the event of a change of control of Supplier. For the purposes of the Purchase Agreement, a "change of control" includes: (a) any sale, lease or exchange of a substantial portion of Supplier's assets used in connection with Supplier's performance of its obligations under any Order; (b) any sale or exchange of a sufficient number of shares of Supplier, or of any affiliate that controls Supplier, to effect a change in management of Supplier; or (c) the execution of a voting or other agreement of control in respect of Supplier, or of any affiliate that controls Supplier. Supplier shall notify Ramco in writing within ten (10) days of any change of control of Supplier, and Ramco may terminate any Order by giving written notice to Supplier at any time up to sixty (60) days after Ramco's receipt of Supplier's notice of change of control.
- iii. Any termination under this Section 18 shall be without liability to Ramco, except for the Goods delivered by Supplier and accepted by Ramco.

20. Termination Upon Insolvency, Bankruptcy, Etc.

- i. Either party may terminate an Order, without liability to the other party: (a) in the event of the insolvency, bankruptcy, reorganization, receivership or liquidation by or against the other party; (b) in the event that the other party makes an assignment for the benefit of its creditors or ceases to carry on business in the ordinary course; or (c) if a receiver is appointed in respect of the other party or all or part of its property (collectively, an "Insolvency Event"). In the event of such termination, the other party shall be liable for all costs, damages and expenses suffered by the party that terminates the Order.
- ii. In the event that Ramco does not terminate an Order upon the occurrence of an event in Section 19(i) in respect of Supplier, Ramco may make such equitable adjustments in the price and/or delivery requirements under the Purchase Agreement as Ramco deems appropriate to address the change in Supplier's circumstances, including Supplier's on-going liability to perform its obligations regarding warranty, defective Goods or other requirements under the Purchase Agreement.

21. Transition of Supply

- i. In connection with Ramco's termination or non-renewal of an Order, or Ramco's other decision to source the Goods from any alternate supplier(s), Supplier will cooperate with Ramco in the transition of supply of the Goods, including the following: (a) Supplier will continue production and delivery of all Goods as ordered by Ramco, at the prices and other terms stated in this Order, without premium or other condition, during the entire period reasonably needed by Ramco to complete the transition to the alternate supplier(s), such that Supplier's action or inaction causes no interruption in Ramco's ability to obtain the Goods as needed; (b) at no cost to Ramco, Supplier will promptly provide all requested information and documentation regarding and access to Supplier's manufacturing process, including on-site inspections, bill-of-material data, tooling and process detail and samples of the Goods and components; and (c) subject to Supplier's reasonable capacity

constraints, Supplier shall provide special overtime production, storage and/or management of extra inventory of the Goods, extraordinary packaging and transportation and other special services (collectively, "Transition Support") as expressly requested by Ramco in writing.

- ii. If the transition of supply occurs for reasons other than Ramco's termination of this Order pursuant to Sections 18 or 19, Ramco shall, at the end of the transition period, pay the reasonable, actual cost of Transition Support as requested by Ramco and incurred by Supplier, provided that Ramco has approved Supplier's estimate of such costs prior to Supplier incurring such amounts.

22. Disputes and Applicable Law.

- i. The Purchase Agreement and the terms and conditions and any sale of the Goods by Supplier under the Purchase Agreement shall be governed by the laws of the State of Ohio, excluding its conflict of law principles providing for the application of the laws of any other jurisdiction. Supplier and Ramco agree to submit to the exclusive jurisdiction of the appropriate state or federal court located within Ohio for purpose of resolving any dispute or claim arising in connection with the Purchase Agreement.
- ii. For the avoidance of doubt, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Purchase Agreement and shall not govern the rights and obligations of Supplier and Ramco under the Purchase Agreement.

23. Ramco's Website.

- i. Ramco's internet website (or such other website as may be directed through links available on such website) ("Ramco's Website") may contain specific additional requirements for certain items covered by an Order, including labeling, packaging, shipping, delivery and quality specifications, procedures, directions and/or instructions. Any such requirements shall be deemed to form part of the Terms and Conditions and the Purchase Agreement. Ramco may periodically update such requirements by posting revisions thereto on Ramco's Website. In the event of any inconsistency between the Purchase Agreement and Ramco's Website, the terms of the Purchase Agreement shall prevail, unless the requirements specified on Ramco's Website expressly provide otherwise.
- ii. Ramco may modify these Terms and Conditions from time to time by posting revised purchase order terms and conditions to Ramco's Website. Such revised purchase order terms and conditions shall apply to all Orders and Order revisions issued on or after the effective date thereof. Supplier shall review Ramco's Website periodically.

24. Supplier's Warranties

- i. All of the warranties made by Supplier in the Purchase Agreement are available to, and for the benefit of, Ramco, its subsidiaries and affiliates, their respective successors and assigns, the Customer and users of products containing the Goods. Supplier's warranties shall extend to future performance of the Goods. The warranty period shall be that provided by applicable law, except that if Ramco is obligated to provide a longer warranty period to the Customer pursuant to the Customer Terms, such longer period shall apply. Supplier's warranties shall be in addition to all other warranties available under applicable law.
- ii. Ramco's payment for and/or acceptance of the Goods shall not relieve Supplier from any of its obligations and/or warranties under the Purchase Contract. In no event shall payment for the Goods be deemed to constitute acceptance by or on behalf of Ramco for any other purposes hereunder or at law.
- iii. Supplier acknowledges that Ramco may defend any claim brought by the Customer that the Goods are in breach of the Supplier's warranties or are otherwise defective and do not meet the contractual



requirements of the Purchase Agreement. Supplier agrees that Ramco's action to defend such claims is in the interest of both Ramco and Supplier and is done to mitigate damages. Supplier waives the right to argue that Ramco's defense of such claims in any way limits Ramco's right to seek indemnity from Supplier or assert a claim against Supplier that Supplier has breached the Supplier's warranties or otherwise failed to meet the legal and contractual requirements of the Purchase Agreement.

- iv. Supplier will conform to the quality control standards and inspection systems, as well as related standards, policies and systems, that are established or required by Ramco and, to the extent directed by Ramco, or the Customer. Supplier agrees to meet the full requirements of industry Production Part Approval Processes (PPAP) as specified by Ramco and the Customer, as applicable, and agrees to present this information to Ramco upon request, at the level requested, unless otherwise specifically agreed by Ramco in writing.

25. Miscellaneous.

- i. These Terms and Conditions may be signed in counterparts, each of which shall be an original and together which shall constitute one and the same instrument.
- ii. Time is of the essence in these Terms and Conditions and the Purchase Agreement.
- iii. Either party's failure to insist on the performance by the other party of any term or failure to exercise any right or remedy reserved in the Purchase Agreement, or either party's waiver of any breach or default hereunder by the other party shall not, thereafter, waive any other terms, conditions, rights, remedies, breaches or defaults, whether of the same or a similar type or not.
- iv. The obligations of Supplier to Ramco shall survive termination of the Purchase Agreement, except as otherwise expressly stated in the Purchase Agreement.
- v. If for any reason any court of competent jurisdiction finds any provision in these Terms and Conditions or the Purchase Agreement to be unenforceable, that provision will be enforced to the maximum extent permissible so as to implement the intent of Ramco and Supplier, and the remainder of the Terms and Conditions or the Purchase Agreement, as the case may be, will continue in full force and effect.
- vi. Supplier may not assign the Purchase Agreement or subcontract or delegate the performance of its duties under the Purchase Agreement without the prior written consent of Ramco. Any subcontracting, assignment or delegation does not relieve Supplier of any responsibility under the Purchase Agreement, and Supplier shall be responsible to the same extent as if the subcontracted, delegated or assignment duties were retained by Supplier (including all acts and omissions of the subcontractor, such as purchasing, labor and material control, quality of material and workmanship, and proper performance of obligations).