

GENERAL TERMS AND CONDITIONS

1. Applicability; Acceptance.

(a) These terms and conditions (these “**Terms**”) are the only terms which govern the sale of the goods (“**Goods**”) by R.L. Hudson & Company, an Oklahoma corporation (“**Seller**”), to the buyer named in the accompanying quotation (“**Buyer**”).

(b) The accompanying Sales Quote (the “**Quote**”), these Terms and the Sales Confirmation (collectively, this “**Agreement**”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Buyer’s general terms and conditions of purchase regardless whether or when Buyer has submitted its purchase order or such terms. Fulfillment of Buyer’s orders does not constitute acceptance of any of Buyer’s terms and conditions and does not serve to modify or amend these Terms.

(c) Seller’s orders shall clearly identify Goods (or components thereof) which are safety-critical and subject to heightened compliance standards.

(d) Unless sooner withdrawn or agreed upon by Seller in writing, all Quotes must be accepted by Buyer within thirty (30) days of the date thereof. All Quotes are subject to correction for clerical errors therein.

(e) Any written sales confirmation, order acknowledgment, or similar document issued by Seller (each, a “**Sales Confirmation**”) shall confirm Seller’s acceptance of Buyer’s order. The terms of the Sales Confirmation shall control over any inconsistent or additional terms proposed by Buyer unless otherwise agreed in a signed writing by authorized representatives of both parties. Buyer shall be deemed to accept the Sales Confirmation upon the earlier of: (a) Buyer’s failure to object in writing within three (3) days of receipt, or (b) Buyer’s acceptance of any Goods referenced in the Sales Confirmation.

(f) All orders submitted by Buyer shall be irrevocable and may not be canceled, withdrawn, or modified for any reason once received by Seller.

2. Lead Time; Delivery; Packaging.

(a) Buyer shall submit all orders for Goods to Seller in accordance with the lead time(s) specified in the Quote or in a forecast submitted by Buyer, which shall be (i) expressed in whole calendar weeks and shall exclude all weekends and any official public, national, federal, state, provincial, or local holidays observed in any jurisdiction in which Seller or its suppliers perform work related to the Order. and (ii) subject to adjustment as contemplated herein or as otherwise determined by Seller in its reasonable discretion. Upon request, Buyer shall submit forecasts for the purpose of enabling Seller to plan production and allocate capacity. Any time quoted for delivery is an estimate only; provided, however, that Seller shall use commercially reasonable efforts to deliver all Goods on or before the

estimated delivery date set forth in the Sales Confirmation (the “**Estimated Shipping Date**”). Seller shall not be liable for any delays, loss or damage of any kind for Goods in transit. Buyer shall have the one time right to delay the Estimated Shipping Date for any order.

(b) Unless otherwise agreed to in writing by the parties, Seller shall make the Goods available at, or deliver the Goods to, Seller’s facility located at 2000 W. Tacoma Broken Arrow, Oklahoma 74012 (the “**Delivery Point**”) using Seller’s standard methods for packaging and shipping such Goods, as applicable. Buyer shall pickup or take delivery of the Goods within five (5) days of Seller’s written notice that the Goods have been made available at or delivered to the Delivery Point, as applicable. Buyer shall be responsible for all loading costs and provide equipment and labor reasonably suited for receipt of the Goods at the Delivery Point. If requested by Buyer, shipments of Goods shall be insured at Buyer’s expense; provided, however, that no event of default of Buyer’s insurer shall relieve Buyer of any of its obligations hereunder.

(c) Seller may, in its sole discretion, without liability or penalty, make partial provisions or shipments of Goods to Buyer. Each provision or shipment will constitute a separate sale, and Buyer shall pay for the units provided or shipped whether such provision or shipment is in whole or partial fulfillment of Buyer’s purchase order.

(d) If for any reason Buyer fails to accept delivery of or pickup any of the Goods on the date fixed pursuant to Seller’s notice that the Goods have been made available at or delivered to the Delivery Point, or if Seller is unable to make the Goods available at or deliver the Goods to the Delivery Point on such date because Buyer has not provided appropriate instructions, documents, licenses or authorizations: (i) risk of loss to the Goods shall pass to Buyer; (ii) the Goods shall be deemed to have been made available or delivered; and (iii) Seller, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

(e) All packaging for the Goods must be agreed upon by the parties in writing and any bulk or special packaging (i) shall be subject to additional charges payable by Buyer to Seller and (ii) may result in an increase in the lead time(s) contemplated in Section 2(a).

3. Quantity. Unless otherwise agreed to in writing by the parties, if Seller delivers to Buyer a quantity of Goods of up to 10% more or less than the quantity set forth in the Quote, Buyer shall not be entitled to object to or reject the Goods or any portion of them by reason of the surplus or shortfall and shall pay for such Goods the price set forth in the Quote adjusted pro rata.

4. Shipping Terms. Delivery shall be made FCA Seller’s facility located at 2000 W. Tacoma Broken Arrow, Oklahoma 74012.

5. Title and Risk of Loss. Title and risk of loss passes to Buyer when Seller tenders the Goods for pickup at the Delivery Point. As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the

right, title and interest of Buyer in, to and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Oklahoma Uniform Commercial Code. Buyer authorizes Seller to file a UCC financing statement to perfect this security interest at any time.

6. Amendment and Modification; Changes.

(a) These Terms may only be amended or modified in a writing which specifically states that it amends these Terms and is signed by an authorized representative of each party.

(b) Buyer may submit written requests to change the tooling, blueprints or the Goods' specifications hereunder to Seller; provided that no such changes will modify this Agreement or be binding on Seller unless such changes have been fully approved in a signed writing by an authorized representative of Seller.

(c) If the parties agree to changes in tooling, blueprints or the Goods' specifications (including with respect to any custom molded parts to be manufactured by Seller), Buyer shall pay Seller for (i) all work in process on the basis of the percentage of completion thereof multiplied by the order unit price; (ii) Seller's out-of-pocket costs and expenses incurred by Seller prior to the effective date of such agreed upon change(s), which costs and expenses shall include, all raw materials, unpaid tooling, gauges, fixtures, and engineering costs and expenses, as applicable; and (iii) any costs or expenses incurred by Seller to change any molds or tooling as a result of such changes, including without limitation engineering change fees. Buyer acknowledges and agrees that the normal productive life of any molds or tooling may be shortened as a result of any such changes.

7. Inspection and Rejection of Nonconforming Goods.

(a) Buyer shall inspect the Goods within ten (10) days of receipt ("**Inspection Period**"). Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by Seller. "**Nonconforming Goods**" means only the following: (i) product shipped is different than identified in Buyer's purchase order; or (ii) product's label or packaging incorrectly identifies its contents.

(b) If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall, in its sole discretion, (i) replace such Nonconforming Goods with conforming Goods, or (ii) credit or refund the Price (as defined below) for such Nonconforming Goods, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the Nonconforming Goods to Seller's facility located at 2000 W. Tacoma Broken Arrow, Oklahoma 74012. If Seller exercises its option to replace Nonconforming Goods, Seller shall, after receiving Buyer's

shipment of Nonconforming Goods, ship to Buyer the replaced Goods to the Delivery Point.

(c) Buyer acknowledges and agrees that the remedies set forth in Section 7(b) are Buyer's exclusive remedies for the delivery of Nonconforming Goods. Except as provided under Section 7(b), all sales of Goods to Buyer are made on a one-way basis and Buyer has no right to return Goods purchased under this Agreement to Seller.

8. Price.

(a) Buyer shall purchase the Goods from Seller at the price (the "**Price**" or "**Prices**") set forth in the Sales Confirmation. Upon written notice to Buyer, Seller shall have the right to increase Price to account for changes in certain cost factors including, but not limited to, raw materials, transportation, labor, duties and tariffs ("**Adjusted Prices**").

(b) All Prices are inclusive of all sales, use and excise taxes, and any other similar taxes, duties, tariffs and charges of any kind imposed by any governmental authority on any amounts payable by Buyer, unless otherwise expressly agreed to in writing by the parties.

9. Payment Terms.

(a) Unless and until credit terms applicable to Buyer have been approved and agreed upon by Seller in its sole discretion, all invoiced amounts due to Seller shall be pre-paid by Buyer within five (5) days of Buyer's receipt of an invoice from Seller. Unless otherwise approved by Seller in writing, Buyer shall pay all invoiced amounts due to Seller within thirty (30) days from the date of Seller's invoice. Buyer shall make all payments hereunder by wire transfer or check and in US dollars.

(b) Seller reserves the right to suspend performance or require advance payment if Seller reasonably determines that Buyer's financial condition has materially deteriorated.

(c) Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all direct and indirect costs incurred in collecting any late payments, including, without limitation, reasonable attorneys' fees and court costs. In addition to all other remedies available under these Terms or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend the delivery of any Goods if Buyer fails to pay any amounts when due hereunder and such failure continues for five (5) days following written notice thereof.

(d) Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, bankruptcy or otherwise.

10. Manufacturing Equipment; Tooling.

(a) The manufacturing equipment used with any mold is furnished by Seller and shall remain Seller's property.

(b) Any tooling identified in any Quote as Buyer's property shall remain the property of Buyer and shall be for the use of Seller in producing Goods for the Buyer only; provided, however, such tooling shall remain in Seller's possession until satisfactory arrangements have been agreed upon by the parties for adapting same to conventional tooling. Notwithstanding the foregoing, if any Quote requires the use of Seller's patented or designed tooling, such tooling shall remain in Seller's possession and control in accordance with the patent or intellectual property agreements governing same.

(c) In the event that the quantity of Goods manufactured by Seller utilizing tooling ordered hereunder exceeds the normal productive life thereof, Seller shall issue an invoice to Buyer for any necessary repairs to or replacements of such tooling, and Buyer shall either (i) approve such invoice in writing and pay Seller all amounts invoiced thereunder for such repairs or replacements or (ii) reject such invoice in writing. In the event that Buyer rejects such invoice pursuant to the foregoing sentence, Buyer acknowledges and agrees that (x) Seller may be unable to manufacture and deliver such Goods as a result, in which case, Seller shall not be liable for any non-delivery of such Goods, (y) to the extent that Seller is still capable of manufacturing such Goods, Seller shall be permitted to increase the Price of such Goods and (z) to the extent that Seller is still capable of manufacturing such Goods, the date by which Seller shall be required to deliver such Goods shall be automatically extended by such time as is reasonably necessary, as is determined by Seller in its reasonable discretion.

11. No Warranty. **SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (c) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.**

12. Indemnity; Limitation of Liability.

(a) **BUYER AGREES TO BE RESPONSIBLE FOR AND ASSUME ALL LIABILITY FOR AND HEREBY AGREES TO DEFEND, RELEASE, INDEMNIFY, AND HOLD HARMLESS SELLER, ITS PARENT ENTITIES, AFFILIATES AND SUBSIDIARIES, AND ITS AND THEIR DIRECTORS, OWNERS, OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES AND INSURERS ("SELLER GROUP") AGAINST CLAIMS (AS DEFINED BELOW) ARISING IN CONNECTION WITH: (i) BODILY INJURY, SICKNESS, ILLNESS AND/OR DEATH TO BUYER, BUYER'S EMPLOYEES OR PERSONNEL, AND/OR ANY THIRD PARTY; AND/OR (ii) DAMAGE TO PROPERTY OF BUYER, BUYER'S EMPLOYEES OR PERSONNEL, AND/OR ANY THIRD**

PARTY; ARISING OUT OF OR RESULTING FROM OR ALLEGED TO ARISE OUT OF OR RESULT FROM THIS AGREEMENT, THE GOODS OR THE USE OF THE GOODS, REGARDLESS OF FAULT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF SELLER GROUP.

For the purposes of this Section 12, “Claims” (as used above) means all claims (including, but not limited to, those for bodily injury, personal injury, illness, disease, maintenance, cure, loss of consortium, loss of support, death, and wrongful termination of employment), damages (except consequential damages), liabilities, losses, demands, fines, penalties, causes of action of any kind (including actions *in rem* or *in personam*), obligations, costs, judgments, interest and awards (including payment of reasonable attorneys’ fees and costs of litigation) or amounts, of any kind or character (except punitive or exemplary damages), whether under judicial proceedings, administrative proceedings or otherwise, or conditions in the premises of or attributable to any person or persons or any party or parties, breach of representation or warranty (expressed or implied), under any theory of tort, contract, breach of contract arising out of, or incident to or in connection with the Goods, this Agreement or the performance of the work or services under this Agreement. For the purposes of this Section 12, the term “REGARDLESS OF FAULT” shall mean WITHOUT REGARD TO THE CAUSE OR CAUSES OF ANY CLAIM, INCLUDING, WITHOUT LIMITATION, EVEN THOUGH A CLAIM IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, COMPARATIVE, CONTRIBUTORY, ACTIVE, PASSIVE, OR OTHERWISE), STRICT LIABILITY, OR OTHER FAULT, OF BUYER AND/OR OF ANY INVITEES OR THIRD PARTIES, AND WHETHER OR NOT CAUSED BY A PRE-EXISTING CONDITION.

(b) IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

(c) IN NO EVENT SHALL SELLER’S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD HEREUNDER.

13. Intellectual Property Claims. The parties acknowledge and agree that the Goods shall be manufactured by Seller in accordance with the specifications furnished by Buyer in

Buyer's released print and model file and which are agreed to by Seller in writing. Accordingly, Buyer shall protect, defend, indemnify and hold harmless Seller Group from and against all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees arising out of any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or other, whether at law, in equity or otherwise, of a third party alleging that any of the Goods (whether as individual parts or units of complete entities) or the use thereof infringe any intellectual property rights of a third party.

14. Insurance. During the term of this Agreement and for a period of two (2) years thereafter, Buyer shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability) in a sum no less than \$2,000,000 with financially sound and reputable insurers. Upon Seller's request, Buyer shall provide Seller with a certificate of insurance from Buyer's insurer evidencing the insurance coverage specified in these Terms. The certificate of insurance shall name Seller as an additional insured. Buyer shall provide Seller with thirty (30) days' advance written notice in the event of a cancellation or material change in Buyer's insurance policy. Except where prohibited by law, Buyer shall require its insurer to waive all rights of subrogation against Seller's insurers and Seller.

15. Compliance with Law. Buyer shall comply with all applicable laws, regulations and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement. Buyer shall comply with all export and import laws of all countries involved in the sale of the Goods under this Agreement or any resale of the Goods by Buyer. Buyer assumes all responsibility for shipments of Goods requiring any government import clearance. Seller may terminate this Agreement if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

16. Termination; Cancellations.

(a) In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due under this Agreement and such failure continues for five (5) days after Buyer's receipt of written notice of nonpayment; (ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors. In the event that Seller terminates Buyer's order in accordance with this Section 16(a), Buyer shall pay Seller for (i) all work completed at the unit price prior to the effective time of such termination; (ii) all work in process on the basis of the percentage of completion thereof multiplied by the order unit price; (iii) all raw materials, unpaid tooling, gauges and fixtures, as applicable; (iv) all engineering costs and expenses; and (v) all other cancellation charges incurred by Seller on the basis of cost to the Seller, plus all handling and overhead charges.

17. Waiver. No waiver by Seller of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

18. Confidential Information. All non-public, confidential or proprietary information of Seller, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as “confidential” in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller’s request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

19. Force Majeure. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party’s (“**Impacted Party**”) reasonable control, including, without limitation, the following force majeure events: (a) acts of God; (b) flood, fire, earthquake, epidemics, pandemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or action; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns or other industrial disturbances; (h) shortage of adequate power or transportation facilities; and (i) other similar events beyond the reasonable control of the Impacted Party.

20. Assignment. Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.

21. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other 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.

22. No Third-Party Beneficiaries. This Agreement 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.

23. Governing Law. All matters arising out of or relating to this Agreement is governed by and construed in accordance with the internal laws of the State of Oklahoma without giving effect to any choice or conflict of law provision or rule (whether of the State of Oklahoma or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Oklahoma.

24. Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of Oklahoma, in each case, located in the City of Tulsa and County of Tulsa, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding and hereby irrevocably waives any objection it may now or hereafter have to the laying of venue of any legal suit, action or proceeding in such courts and any claim it may now or hereafter have that any action or proceeding has been brought in an inconvenient forum.

25. Waiver of Jury Trial. Each party acknowledges and agrees that any controversy that may arise under this Agreement, including any purchase orders, quotes, exhibits, schedules, attachments, and appendices attached to this Agreement, is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement, including any purchase orders, quotes, exhibits, schedules, attachments, and appendices attached to this Agreement, or the transactions contemplated hereby.

26. 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 Quote 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 this Agreement, 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.

27. Severability. If any term or provision of this Agreement 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.