



West Coast Gasket Company

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TERMS AND CONDITIONS OF SALE

- 1. DEFINITIONS.** "Seller" means West Coast Gasket. "Buyer" means the entity to which Seller's Offer is made, or the entity purchasing Goods and/or Services from Seller. "Goods" means the products, parts, materials, and/or equipment included in Seller's Offer and/or Buyer's Order. "Services" means services offered or rendered by Seller. "Offer" means any quotation, bid, or proposal for Goods and/or Services made by Seller to Buyer. "Order" means Buyer's purchase order issued to Seller. All references to "Seller's terms and conditions" herein mean and include (i) these "Terms and Conditions of Sale", (ii) Seller's Special Terms and Conditions, if applicable, and (iii) any other terms and conditions mutually agreed by the Parties in writing in accordance with Section 3. Seller and Buyer are sometimes referred to herein individually as a "Party" and jointly as the "Parties".
- 2. OFFERS.** Unless stated otherwise in writing by Seller, all Offers made by Seller shall be valid for a period of thirty (30) days from the date of such Offer. Unless accepted by Buyer within the Offer validity period, Seller reserves the right to withdraw and/or revise the Offer. The prices offered by Seller apply only to the specific quantities, specifications, statement of work, delivery schedules, and Seller's terms and conditions set forth in Seller's Offer.
- 3. ACCEPTANCE OF BUYER'S ORDER.** Seller's terms and conditions herein apply to all Offers made, and all Orders accepted, by Seller. Seller's acceptance of Buyer's Order, and any changes or amendments thereto, is strictly limited to and conditioned upon Seller's terms and conditions. Unless otherwise agreed in writing by a duly authorized representative of Seller, Seller objects to and is not bound by any terms or conditions that differ from, add to, or modify Seller's terms and conditions. Seller's failure to object to any terms and conditions or any other provisions contained in any communication from Buyer, including, but not limited to, Buyer's Order and any changes or amendments thereto, does not waive any of Seller's terms and conditions specified herein. Unless Seller agrees otherwise, Buyer's issuance of an Order in response to Seller's Offer shall conclusively evidence Buyer's unconditional acceptance of Seller's terms and conditions irrespective of any different terms and conditions Buyer may offer or include in its Order. Seller's terms and conditions shall be applicable whether or not they are attached to or enclosed with Goods and/or Services sold or to be sold hereunder.
- 4. PRICES.** Unless otherwise agreed in writing by a duly authorized representative of Seller, all prices are stated in United States Dollars, and all invoices issued by Seller and payments made by Buyer, shall be in United States Dollars. A minimum Order amount of \$100.00 applies to all Orders.
- 5. PAYMENT TERMS.** Subject to Seller approval of Buyer's credit, payment terms for domestic Orders are net thirty (30) days from date of Seller's invoice. Unless otherwise agreed in writing by a duly authorized representative of Seller, payment terms for international Orders shall be either cash in advance by wire transfer, or by an irrevocable letter of credit confirmed with Seller's bank. Buyer hereby waives any right of setoff against amounts due Buyer from Seller. All amounts due to Seller but not paid by Buyer on the due date bear interest payable at a rate equal to the lesser of (i) one and one-half percent (1.5%) of the outstanding balance per month, or (ii) the maximum interest rate permitted under applicable law. Interest accrues on past due amounts as of the date on which such amounts become due until the date Seller receives payment from Buyer. Buyer shall also be liable to Seller for any expenses incidental to collection of past due amounts, including reasonable attorney's fees and court costs.
- 6. TAXES.** The amount of any present or future sales, use, excise, import duty, or other tax applicable to the manufacture, sale, or lease of Goods, or the provision of Services, shall be added to Seller's invoice and shall be the sole responsibility of Buyer, unless Buyer provides Seller a valid tax exemption certificate acceptable to the applicable taxing authority.
- 7. INSPECTION AND TESTS.** All Goods manufactured by Seller are subject to Seller's standard inspection and quality assurance processes and, if applicable, acceptance testing at Seller's facility. Any additional requirements mutually agreed by the Parties, including, without limitation, Buyer's source inspection or additional testing required by Buyer, shall be at Buyer's sole expense. If Buyer requires inspection by Buyer or Buyer's representative at Seller's place of manufacture, such inspection shall not unreasonably interfere with Seller's operations. Seller shall give Buyer at least two (2) business days advance notice of

availability of Goods for Buyer's inspection. If Buyer fails to perform such inspection within three (3) business days after said notice is received, or such other period as agreed by Seller, Buyer's inspection shall be deemed to have been waived by Buyer.

- 8. PACKING AND PACKAGING.** All Goods shall be packed and packaged in accordance with Seller's standard commercial packing and packaging methods. Any nonstandard or special packing or packaging requested by Buyer shall be at Buyer's sole expense.
- 9. SHIPPING TERMS, TITLE, AND RISK OF LOSS.** Unless agreed otherwise by Seller in writing, shipping terms shall be as expressly stated in Seller's Offer. If Seller's Offer does not specify shipping terms, all domestic shipments shall be delivered F.O.B. origin at Seller's shipping dock, and all shipments to locations outside the United States shall be delivered Ex Works to Buyer's designated carrier in accordance with the version of Incoterms in effect as of the date of the Order. Risk of loss and title to Goods shall pass upon such delivery. If Seller prepays shipping, insurance, or other related charges, Buyer agrees to reimburse Seller promptly for such charges.
- 10. EXPORT COMPLIANCE.** All Goods, Services, and technical information provided by Seller to Buyer are subject to the export control laws and regulations of the United States of America, including, without limitation, the International Traffic in Arms Regulation (ITAR) (22 C.F.R. 120 et seq.) or the Export Administration Regulations, 15 C.F.R. 730-774, and may be subject to export or import regulations in other countries. Buyer agrees that it will not export or re-export Goods to Cuba, Iran, North Korea, Sudan, Syria, or to any restricted/embargoed country as may be designated from time to time by the U.S. Government unless otherwise authorized by the U.S. Government. Buyer further agrees that it will not sell, transfer, export or re-export Goods for use in activities that involve the development, production, use or stockpiling of nuclear, chemical, biological weapons or missiles, nor use such Goods in any facilities that are engaged in activities related to such weapons or their delivery systems (e.g., ballistic missile systems, space launch vehicles, etc.). Buyer acknowledges that U.S. law prohibits the sale, transfer, export, re-export to, or participation in any export transaction involving Goods with individuals or companies listed in the U.S. Department of Commerce's Denied Persons List, Entity List, or Unverified List; the U.S. Department of Treasury's Specially Designated Nationals and Blocked Persons Lists; or the U.S. Department of State's Debarred Persons List. Buyer shall defend, indemnify and hold harmless Seller and Seller's officers, directors, employees, agents, attorneys, representatives, and their successors and assigns from and against any and all claims, demands, obligations, actions, causes of action, rights, damages, costs, losses and liabilities (including reasonable attorney's fees and other litigation expenses) whether based on tort, contract, or equitable principles, arising from Buyer's performance of this Agreement. The Parties each agree to provide to the other in a timely manner such information and assistance as may reasonably be required in connection with securing any required authorizations or licenses. The delivery schedules delineated in Seller's Offer and/or Buyer's Order are calculated from the date of receipt of any required export license(s). Seller shall commence work only after receipt of a valid export license(s) from the appropriate U.S. Government agencies, or other applicable governmental agencies, provided, however, Buyer may, at its sole risk, authorize Seller to commence work under Buyer's Order prior to receipt of an export license. In such case, Buyer agrees that it is fully liable to Seller for all costs incurred by Seller in the performance of Buyer's Order and will reimburse Seller for such costs in the event any required export license or authorization is denied or cancelled, or if any restrictions imposed by the issuing agency render continued performance of Buyer's Order impossible or impracticable. Any Order accepted by Seller which cannot be fulfilled due to law or regulations or Seller's inability to obtain any required export license(s), may be cancelled by Seller. In such case, Seller shall have no liability or obligations to Buyer.
- 11. DELIVERY SCHEDULES AND FORCE MAJEURE.** Shipping dates are approximate, and require prompt receipt of all necessary Buyer-furnished information and materials, if applicable. Any delay or failure of Seller to perform its obligations under Buyer's Order shall be excused if such delay or failure is the result of an unforeseeable event or occurrence beyond the reasonable control of Seller, and without its fault or negligence, including, but not limited to, acts of God, actions by any governmental authority, terrorism, fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes, and slowdowns), inability to obtain power, utilities, materials, labor, equipment, transportation, or court injunction.
- 12. CHANGES.** Buyer may request changes to the general scope of Buyer's Order by a written notice to Seller, provided, however, such changes shall not be effective unless and until Seller consents to such changes in writing. If any such changes cause an increase or decrease in the cost of, or the time required for, the performance of any part of Buyer's Order, an equitable adjustment shall be made to the price and/or delivery schedule, and Buyer's Order shall be modified to reflect such change and adjustment in writing.
- 13. TERMINATION FOR CONVENIENCE.** Buyer may request cancellation or termination of Buyer's Order for Buyer's convenience, in whole or in part, by providing prior written notice to Seller. Seller agrees to cooperate with Buyer in attempting to effect such

cancellation or termination conditioned upon Buyer paying Seller for all Goods delivered and/or Services performed, and for all work in process, including all applicable direct and indirect costs, normal profit on such costs, settlements with suppliers, and related termination expenses.