F-843-001
PURCHASING TERMS & CONDITIONS

Smart Tooling/ Hawthorn Composites
1150 South Patton Street
Xenia, Ohio 45385
1. **Shipping Instructions**: Bills of Lading must accompany notices of shipping. Seller must follow Smart Tooling and Hawthorn Composites (hereinafter called “Company”) shipping instructions and show Company purchase order number and shipping instructions on each invoice; package and shipping documents and any charges due to failure to comply, or charges for express or air shipments required because Seller is behind schedule must be borne by Seller. A packing list enumerating contents must be sent with each package. Company's count or weight will be accepted as final and conclusive on all shipments. Proper packaging must be used on all shipments to Company per general acceptable guidelines and per specific guidelines set forth in Company SQM.

2. **Terms**: This order must not be priced higher than last quoted or charged to Company unless otherwise agreed in writing. Acceptance is expressly limited to these Terms and Conditions. No conditions imposed by the Seller in any quotation, or acknowledgment of this or previous order, or which seek to modify, supercede supplement or otherwise alter these Terms and Conditions will be binding upon Company unless accepted in writing by an authorized representative of Company.

3. **Intellectual Property**: The Seller expressly warrants that all Products or Services covered by each order will not and do not infringe upon any patent, trademark, copyright or other intellectual property of any third party. Seller agrees to defend, hold harmless and indemnify COMPANY, and its affiliates, successors or assigns, from all costs, expenses, suits (including legal fees and expenses of expert witnesses, court costs and the like), damages or claims arising out of any actual or alleged direct or contributory infringement of any patent rights, trademark, copyright or other proprietary rights based on the sale or use of items covered by this order. If Seller receives notice of any such claim of infringement or violation of Intellectual Property Rights of a third party on Products or Services that they have supplied to Company, Seller shall, at its sole expense: (a) procure for Company and its Affiliates the right to continue using the Product; or (b) replace or modify the Product so that no infringement or other violation of Intellectual Property Rights occurs; if Company determines that: (1) such replaced or modified Product will operate in all material respects in conformity with the then-current specifications for the Product; and (2) Company and its Affiliates' use of the Product is uninterrupted and the performance of the Product is not impaired thereby. Seller’s obligations under this Agreement will continue with respect to the replaced or modified Product as if it were the original Product. If such replaced or modified Product will not operate in all material respects of the originally ordered Product, Company may at its reasonable discretion may return the Product, in which case Seller will refund to Company the entire purchase price as well as costs and losses incurred by Company as a result of having cease use of, and return the Product.

Seller agrees that any patentable or copyrightable products developed by Seller at the request of Company, in furtherance of this Purchase Order, will be the sole and exclusive property of Company. Seller and Seller’s employees, consultants and subcontractors will execute such documents as may be reasonably necessary or required for Company to establish its ownership rights in such products as well as the right to obtain a patent or copyright with respect to the products.

4. **Acceptance**: Prepayment of Seller's invoice to secure cash discount will not constitute acceptance of the ordered goods. The acceptance of all material purchased is subject to approval when inspection is completed by Company regardless of when such inspection
occurs, Seller waives any requirement that inspection occur within a reasonable time after delivery. Goods rejected as not conforming to this purchase order or as exceeding the quantity ordered shall be returned at the Seller's expense, including transportation and handling costs. All costs relevant to sorting and or reworking of nonconforming parts will be at Seller's expense.

5. **Title and Liens:** Seller expressly warrants that upon delivery of Product, Seller shall pass to Company good and marketable title to the Product free and clear of all liens, claims, security interests, pledges, charges, mortgages or other encumbrances of any kind.

6. **Assignment:** This order is not assignable without the written consent of Company.

7. **Changes:** Company shall have the right to make changes in this order relating to product testing, design specifications, quantity, quality, packing, shipping destination, and delivery schedule. Seller shall notify Company within 48 hours of any increases or decreases in cost caused by such changes and shall suggest an equitable adjustment in prices or other pertinent terms for Company. In consideration, Company shall also have the right to cancel this order, without penalty, if not filled in accordance with the terms hereof.

8. **Warranty:** Seller expressly represents, warrants and agrees that all materials, service, or work covered by this order will: (a) conform in all respects to specifications, drawings, samples, or other descriptions, furnished by Company; (b) be of merchantable quality, of good workmanship, and free of defects; and (c) be fit for the purposes intended by Company. These warranties are in addition to any and all warranties implied by law.

9. **Indemnity:** If the Seller or any of its employees, directors, subcontractors, or agents, perform any work under this purchase order on Company premises, Seller warrants and agrees that it shall be responsible for injuries or damages to persons or property arising out of or in any way connected with the performance of such work or the malfunctioning of such equipment, and agrees to defend and save Company harmless from any and all claims or demands arising therefrom. Seller is responsible for maintaining appropriate Worker's Compensation Insurance for such individuals and warrants to Company that it has adequate Worker’s Compensation coverage and will at all times during the execution of the Purchase order maintain adequate Worker’s Compensation coverage. Seller agrees to indemnify, defend, and hold harmless Company and its affiliates, or users of its products, for any and all injuries, damages, losses, damages or claims for expenditures which are incurred, including loss of production time arising as a result of the sale or use of the materials, and service or work covered by this order and arising out of the breach of any representation, warranty, covenant or other obligation or agreement contained herein. In addition to all other rights that Company may have arising from Seller's breach of warranty, representations or agreements hereunder, Company retains the right in such event to cancel this order either before or after delivery in whole or in part, and to return the goods to the Seller and receive a full refund of the purchase price, including all freight and packing and shipping charges.

10. **Deliveries:** Company's production schedules are based upon agreement that materials will be delivered to the requested destination by the date specified on the face of the Purchase Order. Time is therefore of the essence of this purchase order. If deliveries are not made at the time agreed upon, or if, upon the earliest possible written notification by Seller that delivery
cannot be met and Company, has not agreed to an extension of time for delivery, Company may exercise the right to cancel this purchase order and buy elsewhere, holding the Seller fully accountable for any increased costs.

11. **Supplementary Information:** Any specifications, drawings, notes, instructions, engineering notes or technical data attached to this purchase order, or otherwise delivered to Seller, shall be deemed to be incorporated herein by reference as if fully set forth. In case of any discrepancies or questions, Seller shall obtain clarifications or instructions from Company before proceeding. Company shall at times have title to all drawings, specifications and other information furnished by it to the Seller for use in connection with this purchase order, and Seller shall not disclose the contents of the same to any person, firm or corporation other than Company's or Seller's employees, subcontractors, or government inspectors on a strict need-to-know basis. The Seller shall, upon request or upon completion of this purchase order promptly return all drawings, specifications and other information to Company.

12. **Bankruptcy:** In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against the Seller or in the event, with or without Seller's consent, of an assignment for the benefit of Seller's creditors or of a receiver for Seller, Company shall be entitled to cancel any unfilled part of this purchase order without any further liability whatsoever.

13. **Force Majeure:** Company reserves the right to cancel this order, or any part thereof, at any time, in the event of fire, flood, strike, acts of God, or other cause or event of a similar nature beyond its reasonable control.

14. **Audit:** Company shall have permission to audit Seller's quality control records and procedures with respect to this order to comply with its customers' requirements and to ensure Seller's performance.

15. **Government Regulations:** Seller shall comply with and be bound by all of the statutes, ordinances, regulations, rules, interpretations, decisions, orders and directions of Federal, State and Municipal governments and agencies, whether or not specifically referenced herein applicable to the goods ordered, Buyer's requirements for the goods, or Seller's performance. Company shall make every effort to apprise Seller of any special regulations which attach to the performance of Seller under this Purchase Order, but the Seller is solely responsible for compliance with all those government regulations which apply, including, but not limited to, the following: a. The Walsh Healy Public Contract Act; b. Executive Order 11246, relating to equal employment opportunity. All Government orders in excess of $10,000 must have a separate certification from the Seller in the form of attachment B to this order.

16. **Commitments:** All procurement commitments obligating Company can only be authorized by a Company Buyer.

17. **Severability:** If any provision of this Purchase Order is found to be illegal, invalid or unenforceable, the remaining provisions will remain in full force and effect.
18. **Governing Law:** This purchase order and the validity, construction and interpretation of all documents relating to this purchases, shall be interpreted in accordance with the laws of the State of Ohio, United States of America.

19. **Mediation / Arbitration:** Any controversy arising out of the interpretation or performance of this Purchase Order shall first be submitted to mediation in Dayton, Ohio, to a single mediator. If such dispute subject to mediation is not resolved by mediation, it shall then be submitted to Arbitration in Dayton, Ohio according to the Commercial Arbitration Rules of the American Arbitration Association before three (3) arbitrators, unless the parties mutually agree in writing on a lesser number. The decision of the arbitrators shall be final and binding upon the Seller and Company notwithstanding anything to the contrary, Company shall have the right, without waiving any remedy under the order, to seek from any court of competent jurisdiction (a) equitable relief and (b) any interim or provisional relief that is necessary to protect its rights or property.

20. **Right of Access:** Company, regulatory agencies, and its customers reserve the right-of-entry to facilities and sub-tier facilities and all applicable records, subject to proprietary considerations.

21. **Flow Downs:** Company requires the seller to flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.