

AUTOTOOL INC. PURCHASE ORDER TERMS AND CONDITIONS

- 1) **ACCEPTANCE:** Seller must acknowledge purchase order via fax or email within 24 hours of receiving purchase order, noting any discrepancies in delivery or cost. Buyer may cancel this order at any time prior to Buyer's actual knowledge of acceptance by Seller.
- 2) **CHANGES:** Buyer shall have the right to make changes in this order relating to product testing, design specifications, quantity, quality, packaging, shipping destination, and delivery schedule. Seller shall notify Buyer 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 Buyer. In consideration, Buyer shall also have the right to cancel this order, without penalty, if not filled in accordance with the terms hereof.
- 3) **PRICE WARRANTY:** Seller warrants that the prices for goods and services are and shall remain not less favorable to Buyer that the prices currently extended to any other customer or Seller for the same or substantially similar goods and/or services in the same or substantially similar quantities and delivery requirements. If Seller reduces the prices of such same or substantially similar goods or services during the term of this purchase order, Seller shall reduce the prices of the goods or services correspondingly. Seller warrants that the prices shown on this purchase order shall be complete, and no additional charges of any type shall be added without Buyer's express written consent. Seller expressly assumes the risk of any event or cause (whether or not foreseen) affecting such prices.
- 4) **SHIPPING INSTRUCTIONS:** Seller or Seller's agent must show Buyer purchase order number on each bill of lading and/or packing list. A packing list noting each piece that is enclosed must be sent with each package. Material to be shipped via UPS ground, FOB destination, prepay and add, unless specific written instructions have been given to Seller by an authorized Buyer representative. Material shipped in advance of specified shipping dates or in excess of the quantity ordered, shall be at the Seller's risk and may be returned to the Seller. All transportation charges both to and from the original destination shall be paid by the Seller. All costs relevant to sorting and or reworking of nonconforming parts will be at the Seller's expense.
- 5) **DELIVERY:** If Seller is unable to make delivery dates as specified in this purchase order or in a release or schedule authorization, then Buyer must be notified immediately. 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 Buyer has not agreed to an extension of time for delivery, Buyer may exercise the right to cancel this purchase order and buy elsewhere, holding the Seller fully accountable for any increased costs. Without limiting Seller's obligations hereunder, in the event of any supply allocation by Seller, Seller shall give preference to Buyer for all of the goods and services ordered hereunder.
- 6) **QUALITY CONTROL:** Buyer 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.
- 7) **CONFIDENTIALITY:** Seller shall consider and treat all information, including but not limited to: specifications, drawings, notes, instructions, engineering notes, schedules, or technical data, as confidential and shall not disclose any information to any other person, or use any information itself for any purpose other than pursuant to and as required by this purchase order, unless Seller obtains prior written permission from Buyer to do so.
- 8) **ADVERTISING:** Without Buyer's prior written consent, Seller shall not advertise or publish in any manner that Seller has contracted to or has furnished goods or services to Buyer.
- 9) **ASSIGNMENT:** This order is not assignable without the written consent of Buyer.
- 10) **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 Buyer; b) be of merchantable quality, of good workmanship, and free of defects; and c) be fit for the purposes intended by Buyer. These warranties are in addition to any and all warranties implied by law. Acceptance of goods or services by Buyer shall not relieve Seller from any of its obligations and warranties of this purchase order. In no event shall payment be deemed to constitute acceptance by or on behalf of Buyer.
- 11) **NEW MATERIAL:** Unless expressly so stated on the face of this purchase order none of the goods are, in any way, governmental or commercial surplus or used, remanufactured, reconditioned or of such age or condition so as to impair their fitness, usefulness, or safety.
- 12) **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.
- 13) **FORCE MAJEUR:** Buyer reserves the right to cancel this order, or any part of 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) **INSURANCE:** Seller shall maintain and carry general liability insurance including, but not limited to, public liability, property damage liability, product liability and contractual liability coverages, and workers' compensation and employees' liability insurance covering all employees engaged in the performance of this order, in amounts satisfactory to and with companies approved by Buyer. Seller shall furnish certificates or other satisfactory proof of insurance confirming the foregoing coverages upon request prior to commencing work under this order. The receipt or review of such certificates or other proof of insurance coverage by Buyer shall not relieve Seller from its insurance obligations hereunder or reduce or modify such insurance obligations. All employees, contractors, representatives and agents of Seller shall be covered under Seller's insurance if working on property of Buyer or another location related to this order.
- 15) **MEDIATION/ARBITRATION:** Any controversy arising out of the interpretation or performance of this purchase order shall first be submitted to mediation in Columbus, Ohio, to a single mediator. If such dispute subject to mediation is not resolved in mediation, it shall be then submitted to arbitration in Columbus, 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 arbitrator shall be final and binding upon the Seller and Buyer. Not with standing anything to the contrary, Buyer shall have the right, without waving 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.