

RADCO INDUSTRIES, INC.

Terms and Conditions of Sale

1. **Effect of These Terms and Conditions.** The following terms and conditions shall apply to all estimates, quotations, purchase orders, order acknowledgments, invoices and other documents, dealings and transactions, whether verbal, in writing, or via any other form of communication, relating to the sale of Seller's goods. Buyer's ordering, acceptance or use of any goods of Seller shall constitute its acceptance of the following terms and conditions. Seller hereby objects to any contrary terms and conditions proposed by Buyer. Seller shall not be deemed to have waived any of the following terms or conditions, even if Seller fails to specifically object to any contrary or inconsistent provision appearing on, attached to, or incorporated by reference in any purchase order or other document or communication issued by Buyer. Seller's receipt or acceptance of any such purchase order or other document or communication of Buyer shall be conditioned upon the understanding that these terms and conditions shall control, notwithstanding any such contrary or inconsistent term or condition of Buyer.
2. **Purchase Orders.** All purchase orders of Buyer shall be in writing and contain a purchase order number. All purchase orders of Buyer shall be deemed to have been approved by an authorized representative of Buyer. Seller may, in its sole judgment, accept verbal orders from Buyer if permitted by Seller's ISO standards, which may be amended without notice from time to time.
3. **"On Hold" Orders.** Seller, in its sole discretion, may accept an "on hold" order of Buyer, provided that (i) such order is for standard goods of Seller, rather than custom goods specially manufactured for Buyer, (ii) Buyer prepays for such order, and (iii) such order is cancellable by Seller if Buyer fails to accept shipment of the goods within a reasonable period of time, as determined by Seller in its sole discretion, and (iv) any prepayment refunded to Buyer shall be subject to a cancellation fee of 20% of the total purchase price of the goods.
4. **Prices.** All prices quoted by Seller are subject to change by Seller, without notice, at any time prior to acceptance by both Buyer and Seller of an applicable order. Unless expressly agreed upon in writing by Seller, prices do not include sales taxes, use or excise taxes, import or export duties, value added taxes, special licenses or permits, insurance, or other charges imposed directly or indirectly on Seller or required to be collected directly or indirectly by Seller in connection with the manufacture, production, sale, shipment, importing, exporting, delivery, storage, distribution, consumption or use of the goods. Buyer shall either pay such charges or, where applicable, provide Seller with acceptable exemption certificates.
5. **Currencies.** Unless otherwise agreed upon in writing by Seller, all prices, payments and references thereto shall be in U.S. dollars. If a price agreed upon by Seller is in a currency other than U.S. dollars, Buyer shall make payment to Seller at the exchange rate most favorable to Seller on the due date of payment; provided, however, that if Buyer fails to make payment when due, Buyer shall thereafter make payment to Seller at the exchange rate most favorable to Seller during the period from the due date of payment through the date on which payment is actually received by Seller.

6. **Compliance with Legal Requirements.** Buyer shall be responsible for obtaining, and shall bear all costs and expenses related to, all government approvals, and shall be responsible for meeting all applicable legal requirements, including, but not limited to, all safety and health standards, environmental regulations, and import and export controls.
7. **Payment.** Seller shall have the right to invoice Buyer upon readiness of the goods for shipment, unless otherwise agreed upon in writing by Seller. Invoices shall be due and payable NET 30 DAYS following date of invoice without regard to delays of shipment, inspection or acceptance. Discounts for prepayment of invoices are not permitted. Interest shall accrue on any overdue payment at the rate of 1.5% per month, or at the maximum lawful rate of interest, whichever is less.
8. **Security for Payment.** All orders are subject to the approval of Seller's credit department. If Seller deems Buyer's financial condition or payment practices to be unsatisfactory, prepayment or other security may be required. If Buyer fails to meet such requirements, Seller may discontinue the production and shipment of goods to Buyer and may, at any time thereafter, treat such failure as reasonable grounds for the lawful termination of any pending order, without prejudice to any other rights or remedies of Seller. Buyer hereby grants Seller, and Seller shall retain, a security interest in all goods shipped or delivered to Buyer until Seller receives full payment of the total purchase price. Seller shall have the right to take all actions reasonably necessary or advisable to protect Seller's security interest in the goods, including, but not limited to, the filing of UCC financing statements to perfect its security interest.
9. **Modification or Suspension of Orders.** Requests by Buyer for any modification of any order, including any changes to specifications, quantities or shipment schedules, shall be subject to Seller's written consent. Any request by Buyer for a suspension of any order or delay in shipment shall be in writing and shall also be subject to Seller's written consent. Such requests may result in adjustments to prices, payment terms and shipment schedules. In the event that Seller determines, in its sole discretion, that Seller cannot reasonably make modifications to an order or reschedule completion or shipment, Seller may complete and invoice the order and place the goods in storage at Buyer's expense.
10. **Expediting Charges.** All prices are based on Seller's production and shipment of the goods during Seller's regular workdays and regular work shifts. Where Buyer makes production or shipping requests that require efforts by Seller outside of its regular work schedule, Buyer shall be responsible for an additional charge of \$275.00 for each hour or part thereof required by Seller to meet Buyer's requests. Further, if Seller, at Buyer's request, arranges for same-day shipment of any order, Buyer shall be responsible for an additional charge equal to 20% of the purchase price of the goods included in that expedited shipment.
11. **Cancellation of Orders.** Buyer shall not have the right to cancel any order without Seller's written consent. In the event that Seller consents to the cancellation of an order, Buyer shall indemnify Seller from and against all costs and expenses thereby incurred by Seller, as well as the gross profit that Seller would have derived from the order.

12. **Shipment.** Unless otherwise expressly agreed upon in writing by Seller, all shipments of goods (i) shall be subject to Seller's under-shipment or over-shipment of up to 5% of the scheduled quantity and up to 10% of bulk deliveries of less than full tank wagon; (ii) shall be packaged as Seller deems appropriate for normal shipment and handling; (iii) shall be subject to additional charges for any special shipment and handling requested by Buyer; (iv) shall be shipped F.O.B. Seller's point of shipment, as defined in the Illinois Uniform Commercial Code if shipped within the U.S., and as defined by the International Chamber of Commerce if shipped outside the U.S., (v) shall be freight collect; (vi) shall be subject to Seller's then-current standard charges for agreed-upon prepaid and add shipments; (vii) shall be made by a carrier selected by Seller, and (viii) shall be deemed delivered to Buyer upon delivery to the carrier, subject to Buyer's risk of loss and subject to Seller's retention of a security interest in the goods as provided above. Notice of any claim by Buyer for shortage or damage to goods occurring before delivery of the goods to the carrier must be delivered to Seller not later than 30 days following receipt of shipment, and must include the original transportation bill signed by the carrier with evidence, suitable in Seller's sole discretion, that the carrier received the goods from Seller in the condition claimed.
13. **Reprocessing.** A written purchase order shall be required prior to Buyer's shipment of any materials to Seller for reprocessing. All such shipments to Seller must be freight prepaid, and all goods returned to Buyer shall be freight collect or otherwise at Buyer's expense. Pricing shall be based on the incoming net weight of the materials to be reprocessed, regardless of yield. Seller does not guarantee any yield, and final yield shall be determined by Seller in its sole discretion. Incoming, incorrectly-designated materials shall be subject to a charge of Seller of not less than Seller's reprocessing fee.
14. **Force Majeure.** In no event shall Seller be liable for any non-performance, delay in performance, or any other variation from Seller's performance obligations when occasioned directly or indirectly by any cause beyond the reasonable control of Seller or its suppliers, vendors, subcontractors, or other representatives or agents, including, but not limited to, natural disasters or acts of God; fires or other casualties; power failures; communication failures; strikes or labor difficulties; acts of criminals or public enemies; war; riot; acts of terrorism; requirements or restrictions of any foreign or domestic governmental entity; acts of Buyer or its employees, contractors, representatives or agents; or failures, shortages or delays in Seller's usual sources of labor, materials or transportation. Seller shall automatically be entitled to a reasonable extension of all periods of performance when delayed by any such cause.
15. **Limited Warranty.** Seller warrants only that, subject to proper application and use under normal operating conditions, the goods supplied to Buyer shall generally be in accordance with all applicable Typical Properties, Engineering Properties and Safety Data Sheets, as amended from time to time, which are available for review at www.radcoinc.com and are incorporated herein by reference. This limited warranty shall be in effect during a period of 12 months following the date of Seller's shipment of the goods.

To obtain consideration under this limited warranty, Buyer must first send written notice to Seller specifying the respects in which the goods are believed by Buyer to be non-complying. Failure to give notice within the warranty period shall be a waiver of this limited warranty and no assistance or other action thereafter taken by Seller shall be deemed to extend or revive the warranty period.

Seller, in its sole discretion, shall determine whether any goods are non-complying. Seller must approve, in writing, Buyer's return of any goods before shipment. Seller shall have the right to require Buyer to prepay all costs of Seller's inspection of goods believed by Buyer to be non-complying, including, but not limited to, reasonable travel, lodging and labor expenses. If the goods are found by Seller to be non-complying and covered by this limited warranty, Seller shall reimburse Buyer for any such expenses prepaid by Buyer. If, in Seller's sole judgment, the subject goods are non-complying and covered under this limited warranty, Seller shall have the option of either (i) making replacement goods available for shipment to Buyer, or (ii) repay or credit Buyer with the original purchase price that Buyer paid Seller for the non-complying goods.

This limited warranty shall not apply to goods which, in Seller's sole discretion, have been the subject of negligence, abuse, accident, tampering, alteration, misuse, misapplication, or inappropriate combination with other materials, equipment or systems; or damage by natural disasters or acts of God, fires or other casualties, power failures, acts of criminals or public enemies, war, riot, acts of terrorism, or acts of Buyer or its employees, contractors, representatives or agents; or improper combination with other materials, equipment or systems; or improper storage, maintenance, application or use; or issues caused by corrosion, erosion, wear and tear, rust, contaminants or other foreign materials in the equipment or systems in which the goods are utilized; or by operation at temperatures or pressures in excess of recommended maximums. Further, this limited warranty shall not apply to goods, materials or components not manufactured by Seller; provided, however, that Seller, upon Buyer's request, shall advise Buyer of any warranties known to Seller that may be offered by the manufacturer of such goods or materials.

This limited warranty shall not cover, and Seller shall not under any circumstances be liable for, damages for injuries to persons or property; repairs; travel, labor, material or other expenses related to the removal or replacement of the goods from equipment, systems or other items; damages resulting from the removal of defective goods or the replacement of replacement goods; expenses relating to the shipment of goods to and from Seller's facility or other locations; loss of revenues or profits; loss of use; consequential, incidental, contingent, punitive or special damages, whether arising in contract, in tort, under statute, or in any other manner; or any other damages or expenses not agreed upon in writing by Seller, even if Seller has been advised of the potential for any such damages or expenses.

THIS LIMITED WARRANTY IS IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES REGARDING NON-INFRINGEMENT, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE OR USE. BUYER REPRESENTS AND WARRANTS TO SELLER THAT: (A) BUYER ALONE HAS DETERMINED THAT THE GOODS WILL APPROPRIATELY MEET THE REQUIREMENTS OF THEIR INTENDED APPLICATION AND USE; AND (B) BUYER HAS NOT RELIED ON ANY PROMISES, REPRESENTATIONS OR RECOMMENDATIONS MADE BY SELLER. No person is authorized to give any other representation or warranty or to assume any other liability on Seller's behalf.

16. **Indemnification.** Buyer shall indemnify and hold Seller, its affiliates, and their respective directors, officers, shareholders, managers, members, employees, contractors, representatives and agents harmless from and against any and all claims, demands, legal actions, mediation and arbitration proceedings, obligations, liabilities, damages, fines, penalties, interest, costs and expenses (including reasonable

attorneys' fees and litigation expenses) arising from or relating to the breach of these terms and conditions or any purchase order or other agreement or arrangement between Seller and Buyer, or from the negligence, error, omission, or willful misconduct of Buyer, its affiliates, or their respective directors, officers, shareholders, managers, members, employees, contractors, representatives and agents, or from the shipment, delivery, inspection, storage, sales, distribution, application, use or any other circumstances related to the goods.

17. **Intellectual Property; Confidentiality.** Seller is and shall remain the owner of all intellectual property related to the goods, and Buyer shall not use or disclose any such intellectual property or any other confidential information or proprietary property of Seller without Seller's prior written consent. Notwithstanding any charges paid by Buyer for engineering, tooling or other services, all such items shall remain the sole and exclusive property of Seller.
18. **Product Information.** Product specifications, performance data and other information regarding Seller's goods that Seller may make available from time to time is provided for general guidance only, may be subject to occasional inadvertent clerical errors and other oversights, and does not constitute a representation or warranty of Seller. Performance data may be affected by numerous factors and circumstances, including, but not limited to, test conditions, testing methodologies, and protocols governing the compilation, analysis and reporting of data. Buyer and all users are responsible for determining the fitness and suitability of all goods of Seller for their particular purposes and uses.
19. **Part Numbers.** Seller generally changes part numbers when material changes are made to Seller's goods or when new information is acquired which, in Seller's sole discretion, warrants a part number change. However, specifications of Seller's goods sometimes change without a corresponding change in a part number. Buyer should contact Seller to confirm Seller's current specifications of any goods that Buyer wishes to purchase from Seller. Additionally, Buyer may request Seller's assignment of specific part numbers to goods being purchased by Buyer to fix their specifications for future reference by Buyer and Seller.
20. **Additional Considerations Regarding Application and Use of Goods.** Seller shall not be responsible for Buyer's combination of Seller's goods with any other products, or for compliance with any standards, regulations or other legal requirements applicable to such combinations. Any information provided by Seller regarding ratings or limitations related to the use of its goods does not constitute a representation or warranty of Seller, and such information, by itself, does not provide a sufficient basis for determining the appropriateness or suitability of applying or using Seller's goods in combination with other materials, equipment, systems or applications. Buyer and all users are responsible for determining the appropriateness and suitability of their particular application and use of the goods. Seller's goods should never be applied or used in any application involving risk to life or property without first knowingly, carefully and fully taking such measures.
21. **Interpretation.** Except as otherwise expressly provided herein, these terms and conditions shall be interpreted in accordance with the laws of the State of Illinois, including such the Illinois Uniform Commercial Code, without giving effect to principles of conflict of laws. Whenever any conflict exists between these terms and conditions and any provision of such Uniform Commercial Code, these terms and conditions shall govern. The section headings contained herein have been inserted for convenience only, and shall not be considered in interpreting any term or condition hereof. If any term or condition

contained herein is found to be invalid or unenforceable, it shall be deemed stricken from these terms and conditions without affecting the remaining provisions hereof.

22. **Notices.** All notices required by these terms and conditions shall be in writing and delivered personally, by overnight delivery, or by certified, postage prepaid, return receipt requested. Any such notice shall be deemed to have been given on the date on which it is received during regular office hours at the address shown on the applicable order or at such other address as the affected party may have previously designated for notices.

23. **Dispute Resolution.** Buyer and Seller shall use their best efforts to resolve in an amicable manner any dispute arising in connection with any order. Any dispute which is not so settled or resolved shall, within a reasonable period of time thereafter, be submitted to arbitration in accordance with the Rules of the American Arbitration Association (AAA), and judgment upon the arbitrated award may be entered in any court of competent jurisdiction. The fees and expenses of the AAA and the arbitrator shall be borne equally by the parties, and each party shall bear its own attorneys' fees, except as otherwise provided in these terms and conditions. Unless expressly agreed upon in writing by Seller, arbitration hearings shall be held in the City of Chicago, State of Illinois, U.S.A.