

**SATURN FASTENERS, INC.**  
**TERMS AND CONDITIONS OF SALE**

1. **APPLICABLE TERMS.** These Terms and Conditions, together with any quotation, constitutes an offer or counteroffer (an "Offer") by Saturn Fasteners, Inc. "Saturn") to sell certain products and/or services (the "Goods") to purchaser ("Buyer"), subject to and in accordance with these terms and conditions and attachments to this document (the "Terms and Conditions"). This document is not an acceptance of any offer or counteroffer made or purchase order submitted by Buyer. This Offer and any contract arising out of this Offer (collectively, the "Contract") are each expressly conditioned upon Buyer's assent to all of the Terms and Conditions. Saturn's acceptance of any order is subject to Buyer's assent to all of the Terms and Conditions set forth herein. Buyer acknowledges agreement with these Terms and Conditions by placement of an order to purchase Goods from the Saturn or its acceptance of all or any part of the Goods. In the event that any purchase order, acknowledgment or other document delivered by the Buyer, either prior to or subsequent to the date the delivery of these Terms and Conditions, contains terms and conditions that are in addition to, or different from those set forth herein, these Terms and Conditions shall be deemed a notice of objection to and a rejection of such additional or different terms and conditions. Such additional or different terms and conditions provided by the Buyer shall not operate as a rejection of these Terms and Conditions and these Terms and Conditions shall be binding upon the parties. If a purchase order or other correspondence contains terms or conditions contrary to the terms and conditions contained in Saturn's acknowledgement, Saturn's acceptance of any order shall not be construed as assent to any additional terms and conditions, nor will that constitute a waiver by Saturn of any of the Terms and Conditions nor an acceptance of any such additional provisions. No such additional or different terms or conditions will be of any force or effect, unless specifically agreed to by an executive officer of Saturn in writing.
2. **QUOTATIONS.** If these Terms and Conditions are provided with, or referenced in, a quotation for business ("Quote"), the Quote constitutes an offer to sell according to these Terms and Conditions only. The offer shall remain outstanding until the earlier of 30 days from the date of issuance of the Quote, unless otherwise extended in writing by Saturn, or Saturn gives Buyer notice that the offer is terminated. Buyer shall be deemed to accept Saturn's offer in accordance with the provisions of Section 1.
3. **PRIOR SALES.** Sale of the Goods to Buyer is subject to any prior sales which may have depleted Saturn's stock of Goods or raw material on hand and Saturn shall have no obligation to Buyer in such event. Prompt notice will be given to Buyer if any such prior sales prevent performance by Saturn.
4. **PRICES AND PAYMENTS.**
  - a. Prices shown are current prices and Saturn reserves the right to adjust the invoice price for any item to correspond to prices prevailing at time of shipment. Unless otherwise indicated in Saturn's quotation, all prices are quoted and payable in U.S. dollars. The prices quoted do not include any taxes imposed on the sale or importation of the Goods. Notwithstanding the foregoing, Saturn may alter prices at any time, upon written notice to Buyer, due to variations in the cost of raw materials used to manufacture the Goods purchased by the Buyer. Any taxes, tariffs, duties or charges imposed by any present or future law in connection with this sale shall be added to the amount to be paid by Buyer.
  - b. Unless otherwise specified, the prices quoted are based on Goods being produced in one production run and being shipped over a period of 120 days from Buyer's acceptance of a Quote.
  - c. Unless otherwise indicated to the contrary on the face of this form or an accompanying documents signed by Saturn, payment terms are net cash within thirty (30) days from date of shipment and pro rata payments shall become due as partial shipments are made. If Buyer fails

to pay any invoice when due, or if the financial condition or credit of Buyer becomes unsatisfactory to Saturn, Saturn may, at its option, and without affecting any other lawful remedy, change the terms of payment, or suspend work or further delivery, or both, until Buyer pays all invoices current, provides security or other assurances of performance as required by Saturn within 5 days of Saturn's request. Buyer shall not offset or reduce any payment to Saturn by any damages or expenses of Buyer (whether or not caused by the acts or omissions of Saturn or Saturn's agents), by any disputed amounts or payments, or by any claims or charges against Saturn.

d. Saturn requires a \$1,500.00 minimum for purchase orders.

5. FREIGHT, DELIVERY AND PERFORMANCE. Unless quoted differently, all shipments will be Ex-Works at Saturn's dock FOB Burbank, California. All risk of loss to Goods shall pass to Buyer upon Saturn's delivery to carrier. Goods will be bulk packed and delivery may be in single or several lots, at Saturn's option. Any delivery dates shown are estimates only and not a guaranty of a particular date of delivery, and are based on the prompt receipt of all necessary information and product specifications from the Buyer on the date of acceptance of a Quote. In no event shall Saturn be liable to Buyer for failure to perform or deliver, or a delay in delivery due to matters outside Saturn's control, including strikes, labor disturbances, raw material shortages or allocations, refusal of a supplier to provide raw materials or services, plant calamities or disasters, acts of God, government actions, civil disturbances, acts of terrorism, an increase in the prices for raw materials or other goods or materials used in the manufacturing or fabrication process or incorporated into the Goods covered by this quote, the failure of a presupposed condition of the contract or other interferences beyond Saturn's control. Buyer shall be responsible for any increased costs due to orders placed in less than the quoted lead time.

6. VARIATION IN DIMENSIONS, TOLERANCES, AND QUANTITIES.

a. When tolerances are not specified by Buyer and agreed by Saturn, it is understood that the following tolerances apply; plus or minus .005" on three place decimals, plus or minus .010" on two place decimals and plus or minus .015" on fractions. Due to normal manufacturing variations, Saturn does not guarantee more than 99.994% of the parts to be within tolerance on any specific dimension.

b. Quantities shipped may vary by up to 10% on all manufactured purchase orders.

7. INSPECTION. Buyer shall inspect all Goods upon receipt and prior to installation or use in further manufacture, and Buyer shall give prompt notice of any claimed defect or deficiency to Saturn's. Any defects or deficiencies not reported to Saturn within 30 days after Buyer's receipt for the Goods shall be waived. Prices do not include 100% inspection unless otherwise agreed to and accepted by Saturn in writing.

8. LIMITED WARRANTY.

a. Saturn makes the limited warranty that the Goods will conform to written specifications accepted by Saturn and will be free of defects in workmanship and materials in accordance with the lesser of such tolerances described herein and as otherwise may be customary in the industry. Saturn makes the foregoing limited warranty for a period of six months following delivery of Goods to the Buyer. Any claim for defect during the warranty period must be made within thirty (30) days of discovery of the defect.

- b. Saturn shall be given reasonable and prompt opportunity to examine any claim of defect by the Buyer, including an opportunity to conduct Saturn's own independent root cause or failure analysis.
  - c. The warranty set forth in this Section 8 shall not apply in the event of defects or damages caused by: (i) failure of Buyer or any subsequent purchaser or user to comply with any operational or maintenance guidelines, parameters or requirements; (ii) physical abuse, including but not limited to, dropping, contaminating with foreign substances, applying excessive loads or forces or improper voltages of or to the goods or any component or acts of vandalism, by any persons other than Saturn, its employees, agents, or subcontractors; (iii) alterations, modifications, additions, or repairs made by anyone other than Saturn, its employees, agents or subcontractors; or (iv) accidents or damage resulting from fire, water, wind, hail, lightning, electrical surge or failure, earthquake, theft or similar causes not caused or contributed to by the sole negligence of Saturn or its employees, agents, or subcontractors.
  - d. Unless otherwise stated in Saturn's quotation, Saturn does not acknowledge or guarantee compliance with ITAR.
  - e. THE EXPRESS LIMITED WARRANTY AND REMEDY CONTAINED IN THIS SECTION 8 ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES AND REMEDIES. SATURN MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER EXPRESS OR IMPLIED WARRANTY. ANY IMPLIED WARRANTY AS TO QUALITY, FITNESS FOR PURPOSE, OR MERCHANTABILITY IS HEREBY SPECIFICALLY DISCLAIMED AND EXCLUDED BY SATURN.
9. EXCLUSIVE REMEDY. Buyer's sole and exclusive remedy for any non-conforming or defective Goods, whether based on warranty, contract, tort (including, but not limited to, negligence and strict liability) or otherwise shall be to return the defective Goods for replacement or refund for the purchase price at Saturn's option.

#### 10. LIMITATION OF DAMAGES.

- a. THE MAXIMUM LIABILITY, IF ANY, OF SATURN FOR ALL DAMAGES, INCLUDING WITHOUT LIMITATION CONTRACT DAMAGES AND DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, WHETHER ARISING FROM SATURN'S BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR OTHER TORT, IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PURCHASE PRICE OF THE GOODS AT ISSUE IN THE CLAIM.
- b. SATURN SHALL NOT BE LIABLE, UNDER ANY CIRCUMSTANCES, FOR INDIRECT, SPECIAL AND/OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFIT OR BUSINESS OPPORTUNITY, ARISING IN WHOLE OR IN PART FROM ANY BREACH BY SATURN, EVEN IF SATURN IS MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES, AND ALL SUCH INDIRECT, SPECIAL AND/OR CONSEQUENTIAL DAMAGES ARE HEREBY EXPRESSLY EXCLUDED.
- c. SATURN SHALL NOT BE RESPONSIBLE FOR, AND SHALL INCUR NO LIABILITY WITH RESPECT TO, ANY INFORMATION SUPPLIED BY BUYER OR ANY OF ITS SUBCONTRACTORS TO SATURN.
- d. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE LIMITATION OF DAMAGES PROVISIONS SET FORTH IN THIS SECTION 10 SURVIVE BETWEEN BUYER AND

SATURN EVEN IF THE EXCLUSIVE REMEDY SET FORTH ABOVE IS DEEMED TO FAIL OF ITS ESSENTIAL PURPOSE OR OTHERWISE BE DEEMED UNENFORCEABLE.

#### 11. INTELLECTUAL PROPERTY.

- a. Saturn shall own and continue to own any and all intellectual property rights (including any rights in patents, trademarks, copyrights, and similar intellectual property rights, both in the United States and in jurisdictions foreign thereto) related to or embodied in the Products, including intellectual property rights arising from the development of the Products, and no rights in such intellectual property are transferred or licensed to Buyer other than the limited right to incorporate Products purchased from Saturn in products to be manufactured or sold by Buyer
- b. Buyer shall immediately notify Saturn of any action instituted by an unrelated third party against Buyer related to infringement of any patent, trademark or copyright by Products manufactured by Saturn pursuant to the Contract. Saturn, at its option, may elect to assume defense of any such action and shall have the right to settle any such claims without notice to Buyer. If Saturn elects to assume defense of such claims: (i) immediately upon receipt, Buyer shall provide Saturn with all processes and papers served upon Buyer; (ii) permit Saturn through its counsel, either in the name of Buyer or in the name of Saturn, to defend such suits; and (iii) give all needed information, assistance and authority to enable Saturn to do so.
- c. Buyer expressly warrants that all designs, drawings, and specifications supplied by Buyer for the Products will not and do not infringe any patent, trademark, copyright or other intellectual property of any third party. Buyer: (i) agrees to defend, hold harmless and indemnify Saturn and its affiliates against all claims, demands, losses, suits, damages, liability and expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any patent, trademark, copyright or other proprietary right by reason of the manufacture, use or sale of the Products, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Buyer's actions; and (ii) waives any claim against Saturn and its affiliates, including any hold-harmless or similar claim, whether known or unknown, contingent or latent, in any way related to a claim asserted against Saturn or Buyer for infringement of any patent, trademark, copyright or other proprietary right, including claims arising out of compliance with designs, drawings, and specifications furnished by Buyer

12. RETURNS OR CANCELLATION. Buyer shall have no right to return Goods for credit, cancel existing orders, or delay acceptance of delivery except with Saturn's prior written consent and upon such terms as may indemnify Saturn against all loss and expense.

13. SPECIALLY MANUFACTURED GOODS. Buyer shall hold harmless and defend Saturn against all loss, damage, or expenses arising from any actual or alleged infringement of a patent or other proprietary rights on Goods manufactured in accordance with Buyer's specifications, designs or instructions. Buyer assumes all risk and liability for loss, damage or injury for any product liability claims or any other claims arising out of the use or possession of the Goods sold to Buyer hereunder and Buyer agrees to hold harmless, indemnify and defend Saturn from any and all such claims.

14. TOOLING. Unless otherwise specified in the quotation, all tooling and/or gauges re Saturn-owned and will be maintained by Saturn for the production life of the part, exclusive of tooling/gauging revisions required by Buyer's part print changes. Saturn retains all rights to the design of the tooling.

15. SAMPLES. Preproduction samples will be furnished from production tooling. Samples will be submitted to Buyer for approval prior to Saturn's proceeding with first production.

16. SECURITY INTEREST AND INSURANCE. To secure payment of the price payable under the Contract and performance of all of Buyer's obligations under the Contract, Buyer hereby: (i) grants to Saturn a purchase money security interest in all Goods; and (ii) authorizes Buyer to file such financing statements and other documents, and agrees to execute such other documents and to do such other acts, as Saturn may reasonably deem necessary or advisable to protect its rights in such Goods. In the event Buyer breaches the terms or conditions of the Contract, Saturn shall be entitled to, among other damages, an award of costs and attorney fees. Until Saturn has received full payment of the price payable under the Contract, Buyer shall (i) maintain insurance covering all Goods in such amounts and against such risks as is customary by companies engaged in the same or similar business and similarly located, naming Saturn as insured or coinsured, and shall, upon Saturn's request, furnish evidence of such insurance satisfactory to Saturn, and (ii) upon request by Saturn, do all things necessary or desirable to adequately insure the Goods against Loss or damage. All deliveries shall be subject to credit approval of Buyer from time to time.

17. INDEMNIFICATION.

- a. Buyer shall indemnify and hold harmless Saturn and its affiliated companies, their directors, officers, employees, invitees, agents and customers ("Indemnitees") from and against all liability, demands, claims, losses, costs, actions, judgments, fines, penalties, damages and expenses, including reasonable attorney's fees (collectively, "Liabilities") incurred by Indemnitees by reason of or on account of: (i) any breach of the Contract; (ii) warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property arising from Buyer's use or design of the Products. Provided however, that Buyer's obligation to indemnify Saturn shall not apply to any liabilities solely arising from Saturn's negligence. Buyer waives the application of the doctrine of comparative negligence and other doctrines that may otherwise allocate the liability covered by Buyer's indemnity.
- b. Within a reasonable time of becoming aware of any actual or potential Liabilities, Saturn shall notify Buyer. Buyer, at Saturn's option and at Buyer's expense, will undertake defense of such actual or potential Liabilities through counsel approved by Saturn. Provided, however, that Buyer shall first obtain authorization from Saturn before settlement is made of the actual or potential Liabilities if the terms of such settlement could materially adversely affect Saturn, including any terms which admits the existence of a defect in Products or a failure of Saturn to fully and faithfully perform its obligations. In the alternative, Saturn may elect to undertake defense of such Liabilities to the extent it is asserted against Saturn, and Buyer shall reimburse Saturn on monthly basis for all expenses, attorney fees, and other costs incurred by Saturn.

18. CONFIDENTIALITY. All information and materials received by Buyer from Saturn or Saturn's agents pursuant to this Contract (including any idea, concept, design, prototype, product configuration, invention, method, procedure, system, plan, model, program, software or code, data, specification, drawings, diagram, flow chart, documentation, know-how, work of authorship, and any other subject matter, material, or information that is considered by Saturn to be proprietary or confidential and/or that otherwise qualifies for protection under any law providing or creating intellectual property rights, collectively referred to herein as "Confidential Information") shall remain the property of Saturn and shall be treated by Buyer as confidential unless Saturn has indicated a contrary intent in writing. Buyer agrees to adopt measures to protect the secrecy and confidentiality of Confidential Information that are reasonable under the circumstances, and will promptly notify Saturn of any loss, misuse, or unauthorized disclosure of Confidential Information. Buyer will not remove any confidentiality, proprietary, or similar markings from Confidential Information. Immediately upon termination of this Agreement, all such Confidential Information, together with any and all copies thereof, shall be returned to Saturn. Any Confidential Information made, conceived, developed or acquired by Saturn in connection with the Contract or any related order shall vest in and inure to Saturn's full benefit, notwithstanding any charges

therefor that may have been or may be imposed by Saturn, and shall not be disclosed to third parties without Saturn's prior written consent. This obligation shall continue for so long as any Purchase Order for Products related to or using such Confidential Information is in effect and for a period of two years thereafter, provided, however, that the obligations of confidentiality with respect to Confidential Information designated by Saturn to constitute a trade secret shall continue for as long as such information is entitled to protection as a trade secret. The obligations of confidentiality herein will not apply to information that is or becomes publicly known through no fault of Buyer

19. **GOVERNING LAW.** Except as modified herein, the internal laws of the State of Michigan in general and specifically the Uniform Commercial Code as enacted by the State of Michigan and not the 1980 United Nations Convention on Contracts for the International Sale of Goods shall govern this transaction. The parties do hereby consent that any disputes arising out of these Terms and Conditions or otherwise through the relationship of the parties shall be resolved under the exclusive jurisdiction of the applicable State or Federal Courts located in the State of Michigan.

20. **IMPORT/EXPORT COMPLIANCE. For domestic (U.S.) Buyers:** In the event that Buyer intends to export any Goods, Buyer shall comply with the export control laws and regulations of the U.S. Government, and when required by such laws and regulations, shall obtain validated export and re-export licenses required for Goods, services and/or technical data delivered pursuant to this agreement.

**For foreign (non-U.S.) Buyers:** Saturn shall comply with the export control laws and regulations of the U.S. Government, and when required by such laws and regulations, shall obtain validated export and re-export licenses required for Goods, services and/or technical data delivered pursuant to this agreement. Saturn shall not be liable to Buyer for any failure to provide Goods, services and/or technical data as a result of any of the following U.S. government actions: (1) refusal to grant an export or re-export license; (2) cancellation of an export or re-export license; or (3) any subsequent interpretation of U.S. export laws and regulations, after the date of this agreement, that limits or has a material adverse effect on the cost of Saturn's performance under this agreement.

21. **NON-ASSIGNMENT.** Buyer may neither assign any of its rights nor delegate any of its duties or obligations, whether involuntarily or voluntary, by operation of law or any other manner, without the prior written consent of Saturn and no delegation shall relieve Buyer from its duties or obligations hereunder. Any purported assignment of rights or delegation of duties or obligations in violation of the section is ineffective and void *ab initio*.

22. **AMENDMENT AND WAIVER.** No modifications or amendments to the foregoing terms shall be binding upon Saturn, unless specifically agreed to in writing. Saturn shall not be deemed to have waived any provision or breach of this agreement, except under the terms of a writing executed by the Saturn.

23. **ENTIRE AGREEMENT.** These Terms and Conditions of sale as may be amended by Saturn from time to time, the Quote, and all documents incorporated by reference in the Quote, constitutes the complete and exclusive statement of the agreement for the sale of Goods by Saturn to Buyer. There are no other promises, conditions, understandings, representations or warranties. This agreement constitutes the entire agreement between the parties and supersedes any and all other agreements, negotiations and discussions, either oral or written, between the parties.