

## Terms and Conditions of Sale

The following conditions shall be deemed a part of every purchase order accepted by RJ Link International, Inc. ("Seller")

1. **Definition:** As used herein, the term "Buyer" shall mean the purchaser of the goods identified on Seller's "Quotation", "Purchase Contract" or written "Order Acknowledgement"; the term "Goods" shall mean all product, equipment, accessories and any labor and services identified on Seller's Quotation, Purchase Contract or Order Acknowledgement, and all attachments, exhibits and amendments to it; the term "Order" shall mean the terms and conditions described in Seller's Purchase Contract and Order Acknowledgement, and all attachments, exhibits, and amendments to them, and these Conditions of Sale. Product Categories:
  - 1.1 **Gearboxes** – full assemblies, otherwise components to a Seller's unit will be considered service parts
  - 1.2 **Rebuilt / Reconditioned Gearboxes** – full assemblies, otherwise components to a Seller's unit will be considered service parts
  - 1.3 **Contract Machining Services** – the design that is the intellectual property of the Buyer. Seller is contracted to manufacture the component(s) to the design specification that is supplied by the Buyer.
  - 1.4 **Service Parts** – component parts that are part of the Seller's intellectual property or design as part of a gearbox.
2. **Quotation:** The terms of Seller's Quotation, except for these Conditions of Sale, are not binding, do not constitute an offer and are subject to change without notice.
3. **Acceptance:** Seller's acceptance of Buyer's purchase order is expressly made conditional on Buyer's acceptance of the terms and conditions set forth in the Order, which are in lieu of any additional or different terms contained in Buyer's purchase order or other document or communication pertaining to Buyer's order or the Goods, which additional or different terms shall be deemed ineffective. Buyer's assent to the terms and conditions contained in the Order shall be conclusively presumed from receipt of Seller's Order Confirmation without prompt objection thereto, from acceptance by Buyer of all or any part of the Goods or from payment by Buyer for all or any part of the Goods. The Order shall not be binding upon Seller unless confirmed in writing by an authorized officer of Seller.
4. **Delay or Cancellation:** The Order is not subject to delay or cancellation by Buyer unless Buyer gives written notice to Seller and such notice is acknowledged in writing by an authorized officer of Seller. Upon such cancellation or delay, Seller may demand payment based on the purchase price and the percentage of completion as determined by Seller and payment covering Seller's increased costs, including storage and insurance, as a result of the cancellation or delay.
5. **Taxes:** Unless otherwise expressly provided in the Order, prices quoted do not include taxes, license fees or other assessments with respect to the Goods or Services and Buyer shall pay any and all use, sales, privilege, income tax or other taxes or license fees or assessments imposed by foreign, federal, state or local governments.
6. **Shipment Terms:** Unless otherwise expressly provided in the Order, all shipments are F.O.B. Rockford, Illinois, and all storage, shipping, insurance, special packing or crating, and other incidental costs with respect to the Goods shall be for the account of or paid directly by Buyer.
7. **Shipment Date:** Any shipment date for the Goods acknowledged by Seller is a desired and not a promised date. Seller will make all reasonable efforts to meet the shipment schedule set forth in the Order but shall not be liable for failure to do so. Acknowledged shipment dates are conditional on Seller receiving all required payments and technical and commercial information promptly in accordance with the terms set out in the Order. Seller shall not be liable for any damage to or loss of the Goods or any delay in or failure to ship, deliver, service, repair or replace the Goods arising from shortage of raw materials, failure of suppliers to make timely delivery, failure of suppliers of Buyer- specified components to make timely delivery and provide timely technical assistance, labor disputes of any kind, fire, windstorm, flood, theft, war, embargoes, governmental acts or rulings, loss or damage or delays in carriage, acts of God, or any other circumstances beyond Seller's control.
8. **Installation:** Unless otherwise expressly provided in the Order, the Goods are sold for installation and interconnection by Buyer; Buyer will supply all necessary labor, material, and permits to properly install the Goods in accordance with Seller's specific instructions. Compliance with any and all local, state and federal requirements is the responsibility of Buyer.

9. **Warranty:** During the warranty period, Seller will repair or replace at its plant in Rockford, Illinois, any part of the Goods, which part has been manufactured by Seller, and which Seller determines to have failed because of defective design, material or workmanship under normal use and service. Seller shall have no warranty or other liability for any part not manufactured by it, but agrees to cooperate with Buyer in obtaining an assignment of Seller's warranty rights against the manufacturer. Prior to repair or replacement, Seller shall have the right to examine the part at its option either at Buyer's plant or at Seller's plant in Rockford, Illinois. Upon Seller's written authorization, the Goods must be shipped to Seller freight prepaid within a reasonable time thereafter. This warranty does not apply unless the Goods are serviced in accordance with Seller's recommendations and are installed in a Seller approved application, including use of correct lubricant. Buyer accepts the responsibility of operating and maintaining the Goods in accordance with Seller's recommendations and standard maintenance practices. This warranty also shall not apply to any of the Goods or parts thereof repaired or altered by anyone but Seller, operated or installed contrary to instructions, subjected to misuse, negligence or accident. Seller's liability under this warranty shall be limited to repairing or replacing warranted Goods or, if such Goods cannot be repaired or replaced by Seller, to the return of the purchase price paid for the defective or nonconforming warranted Goods; provided, that Buyer shall first return to Seller those goods for which a refund of the purchase price is to be made. In order to make a claim under the warranty; the original purchaser must return the defective product, together with proof of purchase, to Seller's factory in Rockford, Illinois with transportation charges prepaid both ways. The item must be received by Seller within one (1) year of its manufacture or as noted below. Seller shall, at its option, repair or replace any product, which its examination discloses to have been defective in workmanship or material. A return authorization number is required on all returned gearboxes. Labor for removal, re-installation and repair of Seller's Goods will not be allowed or provided under the provision of this warranty. Request for information, or warranty, or repair of the Goods shall be instigated by contacting the Sales, Engineering or Quality department of Seller. For this warranty to apply:

**9.1 Gearboxes** – Buyer must give Seller written notice of any warranted defect within fifteen (15) days after discovery and, in any event, not later than the date on which this warranty expires, or Buyer will be barred from any remedy. This warranty is not assignable and expires upon the earlier of Buyer's transfer, sale or other disposition of the Goods, 1500 hours of service, or one (1) year from the date of shipment of the Goods by Seller to Buyer.

**9.2 Rebuilt / Recondition Gearboxes** - Buyer must give Seller written notice of any warranted defect within fifteen (15) days after discovery and, in any event, not later than the date on which this warranty expires, or Buyer will be barred from any remedy. This warranty is not assignable and expires upon the earlier of Buyer's transfer, sale or other disposition of the Goods, 750 hours of service, or six (6) months from the date of shipment of the Goods by Seller to Buyer.

**9.3 Contract Machining** - Seller warrants to the original purchaser that new products will be free from defects in material and workmanship and to meet the specifications on the buyer's purchase order for a period of sixty (60) days from their date of manufacture. This warranty does not apply to any parts which shall have been repaired, or altered by anyone not the authorized representative of the Seller, so as in the Seller's judgment to affect its stability, strength, and reliability, nor any parts subject to misuse, negligence, accident, or improper installation. Seller's responsibility under this warranty is limited to repairing or replacing the defective product in Seller's factory. In order to make a claim under the warranty; the original Buyer must return the defective product, together with proof of purchase, to Seller's factory in Rockford, Illinois with transportation charges prepaid both ways. The item must be received by Seller within sixty (60) days of its manufacture. Seller shall, at its option, repair or replace any product, which its examination discloses to have been defective in workmanship or material. A return authorization number is required for all returned products. Seller accepts no liabilities to reimburse customer for, or to replace material supplied by the customer, which may be scrapped in the machining process unless such scrap shall exceed 2% of the total quantity of material supplied but in no case less than one (1) piece per manufacturing lot. Under no circumstances will Seller be responsible for costs incurred by the customer in processing or assembling defective parts into their product. Seller will at its option, replace or issue credit for scrapped material in excess of the 2% allowance referenced above. Buyer acknowledges that Seller is manufacturing the products to Buyer's specifications. Buyer further acknowledges that Seller has no responsibility for reviewing the design, specifications, or engineering information supplied to it by Buyer. Buyer hereby agrees to defend and indemnify Seller from and against claim, demand, suit, injury, settlement, or liability of any kind arising out of or relating to the design, engineering, and /or specifications of the product(s) being manufactured and/or sold by Seller pursuant to this contract.

**9.4 Service Parts** - Buyer must give Seller written notice of any warranted defect within fifteen (15) days after discovery and, in any event, not later than the date on which this warranty expires, or Buyer will be barred from any remedy. This warranty is not assignable and expires upon the earlier of Buyer's transfer, sale or other disposition of the Goods, or ninety (90) days from the date of shipment of the Goods by Seller to Buyer. The item must be received by Seller within ninety (90) days of its manufacture.

THE WARRANTIES PRINTED ABOVE ARE THE ONLY WARRANTIES APPLICABLE TO THE ORDER OR THE GOODS. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE DISCLAIMED.

- 10. Limitation of Liability:** SELLER SHALL NOT BE LIABLE, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, IN NEGLIGENCE, OR OTHERWISE, FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES OR FOR COSTS OF REMOVAL OR SHIPMENT. UNDER NO CIRCUMSTANCES SHALL SELLER'S LIABILITY OR BUYER'S REMEDY FOR DAMAGES AGAINST SELLER EXCEED THE AMOUNT OF THE PURCHASE PRICE OF GOODS SOLD FOR WHICH OR RELATING TO WHICH CLAIM IS MADE. IN THE EVENT THAT SELLER'S WARRANTY, IF ANY, OR ANY OTHER OBLIGATION OF SELLER APPLICABLE TO THE GOODS FAILS OF ITS ESSENTIAL PURPOSE, BUYER'S EXCLUSIVE REMEDY SHALL BE LIMITED TO RETURN OF OR CREDIT FOR SO MUCH OF THE PURCHASE PRICE AS IS APPLICABLE TO THE GOODS WHICH ARE NONCONFORMING OR DEFECTIVE, PROVIDED SUCH GOODS ARE RETURNED TO SELLER. THE PRICE STATED FOR THE GOODS IS BASED UPON AND IN CONSIDERATION FOR LIMITING SELLER'S LIABILITY. NO ACTION ARISING OUT OF THE ORDER OR PERTAINING TO THE GOODS MAY BE BROUGHT BY BUYER MORE THAN FIFTEEN (15) MONTHS AFTER THE DATE OF SHIPMENT OF THE GOODS BY SELLER TO BUYER. BUYER'S REMEDIES AS PROVIDED HEREIN ARE ITS SOLE AND EXCLUSIVE REMEDIES.
- 11. Default and Remedies:** If Buyer fails or refuses to accept delivery of the Goods, fails to pay for the Goods when due or otherwise fails to perform in accordance with the Order, all amounts owing to Seller by Buyer under the Order and any other order or obligation shall at Seller's option and without notice or demand become immediately due and payable and Seller shall have available to it any remedy allowed by law or equity, and may recover all damages suffered by Seller as a consequence from Buyer's breach. Without limiting the foregoing, Seller shall have the right in the event of a breach or default to retain the cash deposited or paid to it by Buyer and the Goods accepted by it on account of the sale price, if any, and apply the same toward payment of its damages. If Goods ordered have been delivered to Buyer by Seller at the time of default or breach, Seller may repossess the products as allowed by law. Any payment not received by Seller within ten (10) days after its due date shall bear interest at the rate of two percent (2%) per month from its due date until paid. In the event that Seller resorts to an attorney to collect amounts due under the Order, for the Goods, and/or for Seller's damages, Buyer shall pay Seller its costs and expenses incurred to effect collection, including without limitation all attorney's and paralegal fees and all court costs and out-of-pocket disbursements.
- 12. Security Interest:** Seller retains a purchase money security interest in all Goods not paid for in full, notwithstanding that the Goods have been delivered to Buyer, and Buyer shall execute and deliver to Seller upon request, financing statements describing the Goods, and other documents which may be requested by Seller to evidence its security interest.
- 13. Breach of Contract:** Breach of contract by either party shall have no effect upon the provisions governing the risk of loss of the Goods. Section 2-510 of the Uniform Commercial Code shall have no effect on the Order and unless otherwise expressly provided in the Order, Buyer shall remain obligated for all risk of loss to the Goods until their proper return to Seller pursuant to paragraph 9 of these Conditions of Sale.
- 14. Governing Law; Consent to Jurisdiction and Venue:** The Order is made in and it and all matters pertaining to the Goods shall be governed by the laws of the State of Illinois. Buyer irrevocably consents to the jurisdiction of any court located in Winnebago County, Illinois. The Courts located in Winnebago County, Illinois shall have exclusive jurisdiction over all controversies arising out of or in connection with the Order or the Goods. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply to this Order or the Goods.
- 15. Invalid Term:** The invalidity of any term contained in the Order shall not affect any other of its terms.

- 16. Non-waiver:** Seller's failure to enforce or declare a default or breach with respect to any particular term or condition of the Order shall not be considered a waiver of Seller's right to enforce or declare a default or breach with respect to any other term or condition or, on a subsequent occasion, with respect to that particular term or condition or, on a subsequent occasion, with respect to that particular term or condition.
- 17. Alteration of Terms and Parol Evidence:** The terms and conditions of the Order are in each instance intended by the parties as a final expression and a complete and exclusive statement of the agreement of the parties respecting Buyer's purchase of the Goods from Seller. None of the terms and conditions contained in the Order may be modified except by a written instrument signed by an authorized officer of Seller and delivered by Seller to Buyer.
- 18. Payment:** Standard terms of payment to customers with approved credit are net 30 days from the invoice date for equipment and upon receipt of invoice for accessories, parts, labor and service unless other terms are expressly provided in the Order. Interest will be charged at the rate of two percent (2%) per month on delinquent accounts.
- 19. Errors:** Stenographic and/or clerical errors in Seller's Order are subject to correction by Seller without liability.