

SIGMA MACHINE, INC.
TERMS AND CONDITIONS OF SALE

THESE TERMS AND CONDITIONS APPLY TO ALL GOODS AND/OR SERVICES (“PRODUCTS”) SOLD AND/OR PERFORMED BY SIGMA MACHINE, INC. AND ITS AFFILIATES (“SELLER”) AND ARE INCORPORATED INTO EACH AND EVERY QUOTATION, ACKNOWLEDGEMENT OR OTHER DOCUMENT ISSUED BY SELLER. BY PURCHASING PRODUCTS FROM SELLER, BUYER INDICATES THAT IT HAS READ, UNDERSTANDS AND AGREES TO BE BOUND BY THESE TERMS AND CONDITIONS WITHOUT MODIFICATION.

1. Offer; Acceptance; Exclusive Terms of Contract. Seller’s quotation or other offer document, together with these Terms and Conditions (“Quotation”) constitutes Seller’s offer to the purchaser identified in the Quotation (“Buyer”) to sell the Products identified in the Quotation and otherwise to enter into the agreement the Quotation describes and the Quotation shall be the complete and exclusive statement of such offer and agreement (“Contract”). The Contract is formed when Buyer accepts the Quotation by written acknowledgement or by the issuance to Seller of a purchase order or other document for the purchase of the Products (“Purchase Order”). Acceptance is expressly limited to these Terms and Conditions and the terms and conditions expressly referenced on the face of the Quotation. Any terms and conditions that purport to modify, supersede, supplement or otherwise alter these Terms and Conditions, whether contained in Buyer’s Purchase Order or otherwise, are not binding on Seller and shall be deemed rejected and replaced by these Terms and Conditions. Notwithstanding any contrary provision in Buyer’s Purchase Order, none of Seller’s failure to object to Buyer’s terms and conditions, access to Buyer’s electronic systems, commencement of work, production of tooling, delivery of Products, or any other conduct in furtherance of Seller’s supply of the Products to Buyer shall constitute acceptance of Buyer’s terms and conditions. Unless otherwise expressly stated in the Quotation, the Quotation is valid for a period of thirty (30) days after it is issued by Seller. Where a Quotation and/or Purchase Order is not issued as described above, Seller’s order acknowledgement or other confirmation document, together with these Terms and Conditions, shall be the complete and exclusive statement of the Contract described herein.

2. Prices. Unless otherwise expressly stated in the Quotation, prices for Products do not include storage, handling, packaging or transportation charges or any applicable federal, state, local or foreign duties or taxes. Seller reserves the right to increase Product prices in the event of increases in its raw material or component costs or other costs or expenses arising after the date of the Quotation. The price for Products (or portions of Products) sold by Seller that are finished products manufactured by third parties shall be Seller’s price in effect at the time of shipment to Buyer. No price reductions shall apply unless specifically agreed to in writing by Seller and Seller makes no representations or warranties of any kind regarding prices.

3. Shipping and Delivery. All sales of Products are EXW Seller’s facility unless otherwise expressly stated in the Quotation. Responsibility of Seller shall cease upon delivery to and receipt of the Products by a common carrier at which point Buyer will bear all risk of loss for the Products. Shipment and delivery of Products (or portions of Products) sold by Seller that are finished products manufactured by third parties are subject to availability at the time of order. Unless otherwise expressly stated in the Quotation, Buyer’s specified delivery date(s) and quantities shall allow for a firm lead time of no less than twelve (12) weeks. Premium shipping expenses and/or other related expenses necessary to meet Buyer’s accelerated delivery schedules shall be the responsibility of Buyer. Deliveries of orders placed by Buyer may be changed, deferred or canceled only upon specific agreement in writing by Seller and Seller may condition such agreement upon Buyer’s assumption of liability and payment to Seller for: (a) all completed work at the order price; (b) a sum equal to the costs of work in process including costs accrued for labor and material, (c) any amount for which Seller is liable by reason of commitments made by Seller to its suppliers and/or subcontractors, and (d) any and all docking and/or storage costs incurred by Seller for Products, and (e) any other loss, cost or expense of Seller as a result of such change, deferment or cancellation. Where Buyer, for whatever reason, refuses to or is unable to accept shipment of Products by the scheduled delivery date, or where Seller, in its discretion, agrees to accept accelerated or drop-in orders, Seller reserves the right to reprioritize all of Buyer’s open orders for Products at Seller’s discretion. Seller shall not have any obligation to maintain any excess inventory of Products, regardless of whether such inventory is designated as a reserve, bank, safety stock, or otherwise.

4. Adjustments. Seller reserves the right to equitably adjust the price and delivery terms of the Contract in the event of, and as a condition to, any changes in the specifications, timing or other requirements for Products, the scope of any work covered by the Contract or the volumes of Products.

5. Payment Terms. Unless otherwise expressly stated in the Quotation, all accounts are due and payable in U.S. currency within thirty (30) days from the date of Seller’s invoice, with payment to be issued on or before the due date irrespective of Buyer’s internal payment day practices that may otherwise be in effect. If any payment owed to Seller is not paid when due, it shall bear interest at the lesser of 18% per annum (1.5% per month) or the maximum rate permitted by law, from the date on which it is due until it is paid. Credit and delivery of Products shall be subject to Seller’s approval. In the event Buyer defaults under its payment terms or Seller otherwise deems itself insecure for any reason, Seller may, without notice, terminate the Contract (in whole or in part), suspend deliveries of Products, cancel all credit available to Buyer, require that any invoices outstanding be immediately due and payable in full, and/or refuse to make any further credit advances. Buyer is prohibited from and shall not setoff against or recoup from or otherwise debit, chargeback or net from any invoiced amounts due or to become due from Buyer or its affiliates any amounts due or to become due from Seller or its affiliates, whether arising under the Contract or under any other agreement.

6. Warranty. Seller warrants that at the time of delivery to Buyer the Products will be free from defects in material and workmanship and will conform to the specifications that are a part of the Quotation. Notwithstanding the foregoing, as to any Products (or portions of Products) sold by Seller that are finished products manufactured by third parties, the warranty delivered to Seller by the manufacturer or other vendor of such Products (or portions of Products) shall, to the extent assignment is permitted by the terms thereof, be assigned to Buyer and shall be expressly in lieu of any other warranty, express or implied, of or by Seller for such Products. Seller's liability is limited solely to an actual breach of the foregoing warranties and will not apply to the extent of any actions or omissions on the part of Buyer. Any claim for defective or nonconforming Products shall be presented to Seller by Buyer in writing within seven (7) days from the date of receipt of the Products by Buyer. Failure by Buyer to provide Seller with written notice of any defect or nonconformity within such seven (7) day time period shall be deemed an absolute and unconditional waiver of Buyer's claim for such defect or nonconformity. Buyer shall hold and make available for inspection and testing by Seller all Products claimed by Buyer to be defective or nonconforming. Any claim for defective or nonconforming Products must be verified by Seller and, upon verification, Seller's liability shall be limited to the replacement or repair, at Seller's election, of such part of the Product in question as Seller may determine is defective or nonconforming. Buyer shall provide Seller with immediate notice of and the opportunity to participate in any and all meetings or other communications between Buyer and its customer concerning actual or alleged defects with respect to the Products.

THE FOREGOING WARRANTIES AND REMEDIES ARE EXCLUSIVE AND SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER SPECIFICALLY, BUT NOT BY WAY OF LIMITATION, DISCLAIMS ANY AND ALL LIABILITY FOR THE USE OR PERFORMANCE OF THE PRODUCTS IN THE APPLICATION(S) SELECTED BY BUYER AND/OR BUYER'S CUSTOMERS. SELLER FURTHER DISCLAIMS ANY AND ALL LIABILITY FOR PRODUCTS THAT ARE FURTHER PROCESSED BY BUYER OR ANY THIRD PARTY OR IN ANY WAY CHANGED BY BUYER OR ANY THIRD PARTY FROM THE PRODUCTS DELIVERED BY SELLER OR THAT ARE DAMAGED OR CAUSE DAMAGE AS A RESULT OF MISUSE, ACCIDENT, NEGLIGENCE, OR IMPROPER INSTALLATION, HANDLING, MAINTENANCE, ALTERATIONS OR REPAIRS ON THE PART OF BUYER OR ANY THIRD PARTY.

7. Patent Infringement. Seller shall conduct, at its own expense, the defense of any patent infringement claim, suit or action brought against Buyer alleging that the Products, or their use, without further combination or modification, infringe any United States patent, but only on the conditions that: (a) the alleged infringement does not arise from Seller's compliance with specifications, designs or drawings furnished by Buyer which describe that aspect of said Products on which such alleged infringement is based or, if a process patent is involved, the process performed by the Products is recommended in writing by Seller; (b) the alleged infringement does not arise from Products (or portions of Products) sold by Seller that are finished products manufactured by third parties, (c) Seller receives prompt written notice of such claim, suit or action and full opportunity and authority to assume the sole defense thereof including settlement and appeals, and (d) Buyer provides Seller with all information available to Buyer for such defense and/or settlement and cooperates with Seller, at Seller's expense, in the defense and/or settlement of such claim, suit or action.

Provided all of the foregoing criteria have been met, Seller shall defend such patent infringement claim, suit or action with counsel of its choice and shall have the sole right, without consultation with Buyer, to take all action Seller deems appropriate to prosecute or settle such claim, suit or action. Seller's exclusive obligation to indemnify as to Products declared to infringe, or which Seller believes are likely to infringe, is limited to the acquisition of a license, the replacement of Products with non-infringing goods or services, the modification of the Products so that they are non-infringing, or the return of the purchase price for the Products, as Seller may elect in its sole discretion.

THIS SECTION STATES SELLER'S ENTIRE AND EXCLUSIVE OBLIGATION REGARDING PATENT INFRINGEMENT AND REMEDIES IN THE COURSE OF, OR RESULTING FROM SALES OF PRODUCTS UNDER THE CONTRACT AND BUYER WAIVES ALL OTHER RIGHTS AND REMEDIES.

8. Buyer's Warranties, Representations and Indemnification. Buyer warrants and represents that: (a) any information, material or other items disclosed or delivered to Seller is Buyer's rightful property; and (b) Buyer has the right to disclose or deliver all information, material or other items disclosed or delivered to Seller by Buyer. If a claim, suit or action alleging infringement arises out of (i) compliance by Seller with specifications, designs or drawings furnished by Buyer that describe that aspect of the Products on which such alleged infringement is based, or (ii) the performance of a process not recommended in writing by Seller, or (iii) the use or sale of the Products provided by Seller in combination with other products or services not provided by Seller to Buyer, or (iv) any use by Seller of a supplier directed or suggested by Buyer or any parts or products therefrom, then in any such event, Buyer shall defend such claim, suit or action and indemnify and save Seller harmless therefrom.

9. Returns. No returned Products will be accepted for any reason unless a valid return authorization for such Products is first secured from an authorized representative of Seller and such return is shipped in accordance with Seller's instructions. Any returns received without a valid return authorization issued by Seller shall, at Seller's option, be: (a) immediately returned to Buyer at Buyer's sole expense, or (b) ten (10) days after notification to Buyer, disposed of at Buyer's sole expense. Buyer shall be responsible for all damage to returned Products resulting from improper packing or handling of the Products.

10. Termination. Each of Buyer and Seller shall have the right to terminate the Contract at any time upon six (6) months' prior written notice to the other party. Neither Buyer nor Seller shall have any other right to terminate the Contract, or any part thereof, except where the other party materially defaults in any of its obligations under the Contract and the default is not cured within thirty (30) days after written notice to the defaulting party by the non-defaulting party. In connection with expiration or termination of the Contract, in whole or in part, by either party for any reason, (a) Seller shall be relieved of any further obligation to Buyer (including, without limitation, any obligation with respect to production, delivery or transition of supply), (b) Buyer shall be liable to Seller for the immediate payment of amounts then billed to date by Seller to Buyer, (c) Buyer shall purchase and pay Seller immediately for all raw materials, components, work in process and finished goods acquired or produced by Seller in connection with the Contract, and (d) Buyer shall immediately reimburse Seller for all claims of Seller and Seller's subcontractors for unamortized investments involved in preparing to produce or provide or producing or providing Products and for all other loss, cost or expense of Seller as a result of the expiration or termination of the Contract.

11. Liability Limitation. IN NO EVENT SHALL SELLER'S LIABILITY ARISING OUT OF OR RESULTING FROM ANY CONTRACT, INCLUDING, WITHOUT LIMITATION, FOR THE MANUFACTURE, DELIVERY, SALE, REPAIR, REPLACEMENT, INSTALLATION OR USE OF ANY PRODUCT, EXCEED THE AMOUNTS ACTUALLY PAID BY BUYER FOR THE PRODUCTS THAT ARE ALLEGED TO BE DEFECTIVE OR NONCONFORMING OR THE CAUSE OF ANY LOSS OR DAMAGE, WHETHER FOUNDED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, EXEMPLARY, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF ANTICIPATED PROFITS, LOSS OF USE, LOSS OF REVENUE AND COST OF CAPITAL) ARISING OUT OF OR RELATING TO ANY CONTRACT OR ANY PRODUCTS. ANY CLAIM BY BUYER AGAINST SELLER ARISING OUT OF OR RELATING TO ANY CONTRACT OR ANY PRODUCTS CANNOT BE FILED, MADE OR MAINTAINED, AND SHALL BE DEEMED WAIVED, UNLESS FILED WITHIN TWELVE (12) MONTHS AFTER SELLER HAS SHIPPED OR PROVIDED THE PRODUCTS IN QUESTION. THE LIMITATIONS ON SELLER'S LIABILITY UNDER THIS SECTION 11 SHALL APPLY NOTWITHSTANDING ANY PROVISIONS OF ANY MANUFACTURER OR OTHER VENDOR WARRANTY ASSIGNED TO BUYER UNDER SECTION 6 HEREOF.

12. Seller's Property. Unless otherwise expressly stated in the Quotation, all facilities, materials, components, tooling, molds, jigs, dies, patterns, fixtures, equipment and related items used in the manufacture of Products shall be and remain the property of Seller. Buyer shall not have any rights in or to any of Seller's property, including, without limitation, any option to purchase such property.

13. Information and Documentation. Seller shall only be responsible to provide Buyer with such information, disclosures, warnings, labels, instructions and other documentation concerning (a) Products and their ingredients, materials and components, (b) the shipping, handling, delivery, use and disposal of such Products, ingredients, materials and components, and (c) any import, export, customs, rules of origin, tax or related matters, as are, in each such case, reasonable under the circumstances and specifically identified by Buyer to Seller in writing. Buyer shall reimburse Seller for any cost to Seller of providing any such information, disclosures, warnings, labels, instructions and other documentation.

14. Compliance. Buyer shall be solely responsible for compliance with any federal, state or local laws, rules, regulations and ordinances or any industry standards that may be applicable to the Products.

15. Proprietary Materials. Seller shall have and retain all rights, title and interest, including all intellectual property rights, in and to all Products and associated materials, including, without limitation, all related reports, specifications, drawings, designs, computer programs and any other property, tangible or intangible, furnished by Seller in connection with or under the Contract ("Proprietary Materials"). No Proprietary Materials created by Seller in connection with or pursuant to the Contract shall be considered "works made for hire" as that term is used in connection with the U.S. Copyright Act. Buyer shall not have any license to use any intellectual property rights of Seller except to the extent expressly agreed to in a separate license agreement mutually agreed in writing between Seller and Buyer.

16. Service and Replacement Parts. Unless otherwise expressly stated in the Quotation, Seller shall not have any liability or obligation to fulfill Buyer's and its customer's requirements for service and replacement parts except as specifically agreed in writing by Seller, at the prices and for such term as are set forth in such writing.

17. Confidentiality. Buyer shall maintain the confidentiality of all technical, business or financial information of Seller ("Confidential Information") in the same manner in which it protects its own confidential information of like kind, but in no event shall Buyer take less than reasonable precautions to prevent the unauthorized disclosure, publication, dissemination or use of the Confidential Information. Upon expiration or termination of the Contract, Buyer shall return the Confidential Information and shall not use the Confidential Information for its own, or any third party's, benefit.

18. Excusable Delay. Seller shall not be liable for any delay or failure to perform if such delay or failure to perform is caused by circumstances beyond its reasonable control, including without limitation acts of God or public authority, riots or other public disturbances, labor disputes of any kind, power failures, failure of Buyer to provide required information, failure of Buyer to provide adequate containers, or the change in cost or availability of raw materials, components or services based on market conditions, supplier actions or contract disputes. During any such delay or failure to perform by Seller, Seller's obligations under the Contract shall be suspended and Seller shall not have any obligation to provide Buyer with Products from other sources or to pay or reimburse Buyer for

any additional costs to Buyer of obtaining substitute Products. Seller may, during any period of shortage due to any of the above circumstances allocate its available supply of Products among itself and its customers in any manner that Seller deems fair and reasonable in its sole discretion.

19. Excess Order Quantities. Seller shall not be liable for failure to perform where Buyer requires, in any calendar week, more than 120% of the stated production capacity and Buyer agrees to reimburse Seller for overtime and related costs incurred due to Buyer requiring more than 100% of the stated production capacity in any calendar week.

20. Assignment. The Contract shall not be assigned in whole or in part by Buyer without the prior written consent of Seller.

21. Waiver. Waiver by Seller of any of the terms or conditions of the Contract shall be effective only if in writing and signed by Seller, and shall not constitute a waiver of such terms as to any subsequent events or conditions, whether similar or dissimilar. No course of dealing or custom in the trade shall constitute a modification or waiver by Seller of any right.

22. Survival. These Terms and Conditions shall survive and continue in full force and effect following the expiration, cancellation or termination of any Contract.

23. Entire Agreement. These Terms and Conditions and any other terms and conditions, attachments, exhibits or supplements expressly referenced on the face of the Quotation, constitute the entire agreement and Contract between Seller and Buyer with respect to the matters contained herein and therein and supersede all prior oral or written representations and agreements. Except as otherwise provided in these Terms and Conditions, the Contract may only be modified by a written agreement signed by Seller.

24. Governing Law; Jurisdiction; Venue. Each Contract and any other documentation between Seller and Buyer for the Products shall be governed by the internal laws of the State of Michigan without regard to any applicable conflict of laws provisions. The United Nations Convention on the International Sale of Goods is expressly excluded. Buyer consents to the exclusive jurisdiction of the Courts of the State of Michigan and the United States District Court for the Western District of Michigan for any action or proceeding arising out of, or in connection with, each Contract and any other documentation between Seller and Buyer for the Products. Buyer specifically waives any and all objections to venue in such courts.

Effective June 1, 2019