

STEMCO PRODUCTS, INC.
STANDARD TERMS AND CONDITIONS OF SALE

Unless otherwise agreed to in writing, the following provisions apply to all STEMCO sales:

1. **WARRANTY-** All merchandise ordered shall be sold subject to STEMCO'S standard warranty, viz: STEMCO warrants that if any product of its manufacture upon examination by a STEMCO representative is found to be defective in either workmanship or material under normal use within twelve (12) months after the date of shipment STEMCO, at its option, (i) will repair or replace same free of charge including transportation charges, but not cost of installation or removal, or (ii) will refund the purchase price thereof. In no event shall STEMCO be liable for any claim whether arising from breach of contract or warranty, or claims of negligence, tort or otherwise in excess of the purchase price. ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE ARE HEREBY DISCLAIMED. The foregoing expresses all of STEMCO'S obligations and liabilities with respect to the quality of items furnished by it, and it shall under no circumstances be liable for consequential, indirect, or special losses or damages.
2. **ORDER ACCEPTANCE BY STEMCO-**
 - a. All orders received from BUYER are subject to acceptance by STEMCO, unless STEMCO'S quotation specifies that it is a bid in response to an invitation for bids in which event the order or award shall constitute acceptance of the bid in accordance with the bid terms.
 - b. Unless otherwise stated, legal delivery and prices are FOB STEMCO'S facility and prices do not include transportation charges.
 - c. Terms and conditions on the BUYER'S order form, at variance with terms and conditions stated herein are not binding upon STEMCO unless specifically accepted by STEMCO in writing.
 - d. Orders accepted by STEMCO cannot be cancelled by BUYER, except with STEMCO'S written consent and upon terms that will indemnify STEMCO against loss.
3. **QUANTITY VARIANCE-** STEMCO reserves the right to ship and BUYER agrees to accept an under-or over-run of any quantity up to and including 5% of the quantity ordered by the BUYER.
4. **SAMPLES-** In the event samples are furnished to the BUYER, STEMCO will not assume any liability in connection with the furnishing or use thereof, and there will be no warranty relating to, or affecting, the furnishing of such samples.
5. **PRICE AND PAYMENT-**
 - a. Taxes: Federal Manufacturers' Excise Tax on automotive products, where applicable, is included in quoted price, unless otherwise noted. State and local sales, use and similar taxes are not included in price and will be billed separately unless a valid exemption certificate is furnished by BUYER.
 - b. Payment: All accounts are payable net 30 days. STEMCO may demand payment in advance of shipment if, in STEMCO'S opinion, the credit or financial condition of BUYER is, or is about to become, impaired.
 - c. Payments where shipments are delayed: Where BUYER requests delay in shipment, STEMCO shall have the option of billing for goods when ready for shipment. If material is not ordered out within sixty (60) days after goods are ready, STEMCO will have the option of billing storage charges.
6. **DELIVERY-**
 - a. Shipping dates: Shipping dates are approximate only and are subject to change.
 - b. Unforeseen Delays: STEMCO shall not be liable in damages or otherwise for delay or failure in performance when caused by circumstances, of every nature and description and however arising, beyond STEMCO'S control including without limitation fire, flood, Act of God, strike, labor unrest, shortage of material, failure of equipment, war, riot, civil insurrection, terrorism, or act of any governmental authority. In the event that STEMCO is unable, due to any such occurrence or otherwise, to fulfill its total commitments to all customers, BUYER agrees to accept as full and complete performance by STEMCO, deliveries in accordance with such plan or proration as STEMCO may adopt.
 - c. Packaging: STEMCO will provide commercial packaging adequate, under normal conditions, to protect the goods in shipment and identify the contents
 - d. Routing: All goods will be shipped via the most direct and economical means of transportation under the circumstances, as deemed by STEMCO.
 - e. Claims: Claims for loss or damage in transit must be entered and prosecuted by the BUYER.
7. **SPECIAL TOOLING-** All Special Tooling required to produce the goods shall remain the property of STEMCO unless specific arrangements are otherwise made. The term "Special Tooling" shall include such items as molds, dies, forms, jigs, mandrels, fixtures, and other special equipment, except machinery that is required to produce the goods. BUYER is responsible for any costs to modify or replace the Special Tooling required to produce the goods.
8. **REJECTIONS AND RETURNS-**
 - a. Notification to STEMCO: BUYER will be deemed to have accepted any shipment under this contract if, within thirty (30) days after BUYER'S receipt of goods, BUYER has not notified STEMCO in writing that such goods are rejected and the grounds therefor.
 - b. Return of Goods: BUYER may not return any goods for any reason without STEMCO'S prior written approval.
9. **PATENT INFRINGEMENT-**
 - a. Should the goods furnished by STEMCO be of such a nature that the design therefor is supplied by BUYER, or should the goods be labeled or marked with a trademark or trade name requested by BUYER, the BUYER agrees to defend STEMCO in any action, either civil or criminal, brought against STEMCO by any third party, for the infringement or misuse of any such patents or trademarks, and BUYER further agrees to hold STEMCO harmless from any damage or loss resulting therefrom.
 - b. As to any of the goods manufactured according to a design or specification not furnished by BUYER, STEMCO shall indemnify and save harmless BUYER from any claim that any use or resale of the same in and of itself infringes any U.S. patent or patent right if the BUYER within (30) days notifies STEMCO in writing of any such claim and gives STEMCO authority, information and assistance (at STEMCO'S expense) to dispose of such claim and to defend any suit that may be brought against the BUYER or BUYER'S customer thereon. In that event, STEMCO will at its expense defend any such suit and satisfy any judgment therein to an amount not to exceed the price paid STEMCO for said goods held to infringe. If, in any such suit, an injunction is issued against the further use of said item or any part thereof, STEMCO will at its option and expense either procure for the customer the right to continue using said goods, or replace same, with no infringing goods or modify them so that they become non-infringing, or remove said goods and refund the purchase price and transportation and installation costs thereof. STEMCO shall not be liable in any respect except as aforesaid, including without limitation, for any claim of infringement settled by BUYER without STEMCO'S consent. The foregoing expresses all of STEMCO'S obligations and liabilities as to patents.
10. **GENERAL PROVISIONS-**
 - a. Modifications of Contract: It is agreed that there is no other contract in force between BUYER and STEMCO, and no alteration or additional terms shall be binding unless agreed to in writing by STEMCO. Should STEMCO by any words, acts or writing, waive or be deemed to have waived any of the provisions of this agreement, or should STEMCO fail to insist upon performance by BUYER of one or more of the terms herein, such action or failure on STEMCO'S part will in no way be deemed to imply or constitute a waiver of any other terms contained in this agreement.
 - b. Governing Law: This contract shall be governed by and construed in accordance with the laws of the State of Texas.
 - c. Disputes: BUYER agrees that any disputes arising out of this contract shall be brought in the courts located in Texas and that such courts shall have exclusive jurisdiction to adjudicate said disputes.
 - d. Assignment: BUYER may not assign this contract without STEMCO'S prior written consent.