



Innotec, Corp. General Terms and Conditions of Sale
June 2019

These General Terms and Conditions of Sale (these "Terms and Conditions") shall govern all sales by Innotec, Corp. ("Seller"), including sales of goods ("Goods") pursuant to any written agreement, quotation or invoice (such agreement, quotation or invoice, including any schedules or exhibits thereto, the "Quote") between Seller and the customer(s) listed therein ("Buyer"). Buyer's (a) issuance of a purchase order, (b) confirmation that Seller is to ship products (including, without limitation, by email or other electronic communication) or (c) acceptance of any product shipped by Seller shall constitute Buyer's acceptance of the applicable Quote and these Terms and Conditions.

1. No Implied Acceptance; Entire Agreement. Notwithstanding any contrary provision in Buyer's purchase order, no action by Seller such as delivery of Goods, the rendering of services or the commencement of work on Goods to be specially manufactured for Buyer, will constitute an acceptance by Seller of any term, condition or provision attached or incorporated in any purchase order or other documents issued by Buyer to the extent inconsistent with these Terms and Conditions. The Quote, these Terms and Conditions and any schedule or exhibit thereto or hereto constitute the entire agreement of the parties and supersede all written and verbal agreements, statements, representations and understandings between Buyer and Seller. No modification shall be effective unless in writing signed by both parties.

2. Minimum Purchase Requirements; Service Parts. Buyer hereby acknowledges and agrees that the prices set forth in the Quote are contingent upon Buyer's agreement to purchase the total quantities set forth in Buyer's initial request for quote/proposal (an "RFP"). If Buyer fails to purchase at least 80% of the quantities of Goods contained in its RFP, Buyer agrees that the pricing on the Goods delivered to Buyer shall be adjusted retroactively to reflect the impact of lower volume on material pricing, labor efficiencies and other cost and expenses of Seller. Buyer hereby agrees to pay Seller such additional sums Net 30 following Buyer's receipt of Seller's invoice. The parties will negotiate in good faith the price, quantity and delivery terms for service parts taking into account the availability and costs of necessary materials, supplies, labor and other costs for equipment, set up, packaging and similar factors.

3. Terms of Payment. Payment terms are Net 30 unless otherwise provided in the Quote. Buyer shall make all payments to Seller at the address specified in the invoice, without any offset or deduction for any reason, and Buyer waives all rights of setoff. Prices are F.O.B. Seller's shipping point unless otherwise stated in the applicable Quote. Payment terms for Buyer Tooling (as defined below) paid for by Seller are one-third upon ordering material, one-third upon tooling completion and 1/3 upon tooling signoff. Any late payments by Buyer shall bear interest at a compounding rate of 1.5% per month or the lawful limit, whichever is less. If a payment is not paid on or before its due date, Buyer agrees that Seller may also cease performance under any and all of Buyer's purchase orders whether or not related to the late payment. All amounts set forth herein or in a Quote are exclusive of taxes. Buyer shall be responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by Buyer hereunder. Invoices will become immediately due and payable if Buyer discontinues business, or becomes insolvent, or is involved in legal proceedings. Whenever, in the judgment of Seller, the financial condition of Buyer does not justify the continuation of production or shipment on the specified terms of payment, Seller may, in its discretion, require full or partial payment in advance or cease performance on any work being performed for Buyer. Buyer hereby grants Seller a security interest in all Buyer Tooling as security for all sums owing from Buyer to Seller.

4. Changes. Any revisions or alterations to a Quote or any terms or specifications relating thereto must be approved by Seller in writing. If any such approved changes increase Seller's costs, Seller may condition approval of any such change on agreement by Buyer to a price increase to recoup such cost increase.

5. Price. Prices are in US Dollars and are subject to change. If a raw material component or service provider raises its prices or imposes a surcharge on Seller, Seller may, at its option, increase prices and or surcharges accordingly and Buyer agrees to accept such increases until the termination of the applicable Quote. All orders are accepted subject to Seller's price in effect at time of shipment.

6. Cancellation/Reschedule of Purchase Orders. Neither the Quote nor any related purchase order may be terminated, cancelled or modified (in whole or in part) except with Seller's written consent. In the event of any termination or cancellation of all or part of the Quote or any purchase order by Buyer, Buyer agrees to pay Seller for all reasonable and allocable materials, material management, labor, overhead and general and administrative costs and expenses incurred as a result of any such termination or cancellation. By way of illustration and not limitation, Seller's costs incurred by reason of Buyer's termination or cancellation may include the storage costs for the items to be purchased, and costs associated with relocating the production to an alternate source, as well as the costs of un-reimbursed and/or unamortized research and development costs, capital equipment, tooling, and other property and supplies of Seller needed to produce and which are unique to the Goods. In the event of such termination or cancellation and upon receipt of payment as described above, all completed Goods, assemblies in process, components and any Buyer Tooling under the Quote shall be returned to Buyer in accordance with instructions specified by Buyer.

7. Delivery; Acceptance. Seller reserves the right to schedule its production and make deliveries according to the schedule agreed to by the parties in the Quote. In circumstances where Buyer specifies deliveries that are inconsistent with such schedule, Buyer will be responsible for any resulting increase in cost, including handling and insurance charges and storage charges. Any delivery dates set forth on the Quote are approximate and based on each party fulfilling the production schedule outlined in advance. In the event delay is caused by Buyer's failure to furnish information necessary for Seller's performance, Seller may extend the shipment date for a reasonable time in proportion to the period of Buyer's delay. Seller will not be liable for any delay in performance of the Quote or delivery of Goods when the delay is caused directly or indirectly by fire, flood, accident, riot, acts of God, war, terrorism, governmental interference, strikes or other labor difficulties, shortage of labor, fuel, power, materials or supplies, transportation delays, failure of tooling or the repair, maintenance or rehabilitation of the tooling, or any other cause or causes whatsoever beyond its control. Claims for defects, nonconformities or shortages in any Goods delivered by Seller must be made by Buyer in writing within a period of ten (10) days after delivery of all or any part thereof. All defects, nonconformities or shortages that are not so specified will be deemed waived by Buyer, such Goods shall be deemed to have been accepted by Buyer, and no attempted revocation of acceptance will be effective.

8. Risk of Loss. Buyer assumes all risk of loss of Goods upon delivery by Seller to carrier. Seller agrees to package the Goods, put them in the possession of a carrier, make appropriate arrangements for their transportation, and obtain and deliver documents necessary to enable Buyer to obtain possession of the Goods. Seller shall not be obligated to obtain insurance or to prepay transportation costs. Buyer agrees to pay all loading, unloading and other charges incidental to transportation. Seller will attempt to follow Buyer's shipping instructions but may make reasonable changes thereto. Risk of loss shall pass to Buyer upon delivery of the goods to a carrier. Breach of the Quote or any provision of these Terms and Conditions shall have no effect upon this provision controlling the risk of loss.

9. Limited Warranties and Remedies. Unless a different term is provided in a quote or upon mutually agreement of Buyer and Seller, Seller warrants for a period of 30 days that the Goods provided by Seller pursuant to the Quote shall be free from defects in material and workmanship and shall conform to the design and description agreed to by the parties in the Quote. THIS WARRANTY SHALL BE IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. There are no other representations of warranties or guaranties applicable to the sale of the Goods unless otherwise agreed to in writing by both parties. Improper installation, misuse, use in applications outside of the specifications of the Goods, failure to maintain the Goods in accordance with applicable standards, alteration of the Goods or other similar circumstances will void any warranty for the Goods. Buyer's exclusive remedy for any warranty claim or for any other claim arising out of the purchase of the Goods will be the replacement of the Goods,

free of charge, FOB Seller's facility, or, at Seller's option, a credit in a fair amount not to exceed the aggregate purchase price for the Goods, which are proven to be defective within the 30-day period set forth above. As a condition precedent to any replacement or credit under this paragraph, Seller shall have the right to request and obtain reasonable evidence of and impose reasonable requirements for submission of a warranty claim. Buyer must return 100% of the purportedly defective parts or a statistically relevant share as mutually agreed upon for testing by Seller. SELLER WILL NOT BE LIABLE FOR (A) ANY CONSEQUENTIAL, INCIDENTAL OR OTHER DAMAGES SUSTAINED BY BUYER INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUE, PUNITIVE OR EXEMPLARY DAMAGES, LOSS OF USE OF THE GOODS, COST OF CAPITAL, COST OF ANY COVER, COST OF PLANT SHUTDOWNS OR CLAIMS BY BUYER'S CUSTOMERS FOR ANY DAMAGES OR (B) ANY AMOUNTS IN EXCESS OF THE TOTAL AMOUNTS PAID BY BUYER TO SELLER PURSUANT TO THE APPLICABLE QUOTE IN THE SIX MONTHS PRECEDING THE DATE OF THE EVENTS GIVING RISE TO THE APPLICABLE CLAIM. This remedy applies to limit all damages and liabilities of Buyer, regardless of the nature of the Buyer's claim, whether in tort, contract, equity, breach of warranty, negligence or strict liability and regardless whether the defect is due to Seller's negligence or defect in the Goods.

10. Tooling. Any tools, molds and dies owned by Buyer and in the possession of Seller ("Buyer Tooling") are held by Seller at the risk of Buyer, and Seller shall have no obligation to insure such property. Seller will be responsible for normal maintenance of all Buyer Tooling. Buyer, however, will be responsible for major repairs, rehabilitation and replacement of any Buyer Tooling. Notwithstanding any return of Buyer Tooling to Buyer, Buyer shall acquire no interest in any proprietary design and/or processing information evident in such Buyer Tooling. Buyer Tooling shall not be removed from Seller's possession unless Seller fails to deliver Goods complying with mutually agreed upon specifications and delivery schedules and fails to make reasonable progress toward compliance after written notice thereof from Buyer. In addition, Buyer hereby grants Seller a security interest in all Buyer Tooling until all amounts owed to Seller by Buyer (under any quote or work order) are paid.

11. Ownership of Intellectual Property. Seller is the owner of all right, title and interest in and to any intellectual property rights, technology, know-how or other similar rights (in all of its applications and iterations) used in the manufacture of the Goods (the "Technology") in which it has a patent, trademark of proprietary right and the Technology shall not be considered a work for hire regardless as to whether it was designed, conceived or created for Buyer. Seller does not grant to Buyer any ownership, license or any other rights in and to the Technology even though Buyer will from time to time pay Seller for Goods that include the Technology. Neither Buyer nor an entity at Buyer's direction may remanufacture, reverse engineer, manufacture, import, export or otherwise utilize Technology other than pursuant to a separate written agreement executed by Seller governing Buyer's use of such Technology. In the event of a claim that any product supplied by Seller pursuant to a Quote infringe on any third-party intellectual property rights, Seller shall be entitled, at its option, to obtain a license on Buyer's behalf for the products that allegedly infringe, to modify the Goods in such a way that it does not infringe, or replace the Goods with a similar part which does not infringe on the intellectual property right.

12. Dispute Resolution. Seller and Buyer will first endeavor to resolve through good faith negotiations any dispute arising under the Quote. If a dispute cannot be resolved within 45 days of a claimed breach of the Quote, either party may request non-binding mediation by a mediator approved by both parties or absent that approval, by the National Center for Dispute Resolution. If mediation fails to resolve the dispute within 30 days after the first mediation session, either party may submit the dispute to binding arbitration by notice to the other party. Any arbitration shall be conducted in Grand Rapids, Michigan. The arbitration proceedings will be conducted in accordance with the rules of the American Arbitration Association and this Section 12. The parties agree that a court of competent jurisdiction may render judgment on and enforce any arbitration award. The cost of any arbitration shall be borne evenly by the parties, and each party shall bear its own attorneys' fees and other expenses in resolving any dispute related to the Quote. While arbitration proceedings are pending, the parties will continue to perform their obligations under the Quote without setoff for any matters being contested in the arbitration proceeding.

13. Seller's Financial Review. Seller shall have no obligation to provide any of its financial information to Buyer, including as it relates to Buyer Tooling and/or capital equipment. Upon a default and a written request by Buyer, Seller will only be required to produce financial information relative to such default and its ability to perform its obligations in the future after the parties establish procedures for the review of such financial information.

14. Buyer's Contracts with its Customers. Buyer acknowledges that Seller is not bound by any terms and conditions imposed upon Buyer by Buyer's customers or any third parties with whom Buyer has a relationship (collectively, "Buyer's Customers"), whether or not Seller has notice of such terms. Regardless as to whether Buyer was directed to use Seller for the manufacture of Goods, Buyer's obligations to Seller under the Quote and these Terms and Conditions will not be affected by: (i) the filing of a bankruptcy or insolvency proceeding or an assignment for the benefit of creditors by or against any of Buyer's Customers under the laws of any country, (ii) a consensual, negotiated or court imposed or authorized modification or termination of the contract between Buyer and any Buyer's Customers, (iii) the failure of any Buyer's Customer to timely pay for the components which include Goods.

15. Attorneys' Fees. In the event that any action, suit, or other legal or administrative proceeding is instituted or commenced by Seller against Buyer for the collection of payment for Goods arising out of the Quote, Seller shall be entitled to recover its reasonable attorneys' fees and court costs from Buyer.

16. Assignment and Delegation. No right or interest in the Quote shall be delegated or assigned by Buyer without the written permission of Seller. Any attempt at assignment or delegation shall be void unless made in conformity with this paragraph. Buyer warrants that it is purchasing for its own account and not as an agent

17. No Waiver. No waiver, alteration or modification of any of the terms and provisions hereof shall be binding unless in writing and signed by each party hereto.

18. Severability. If any provision of the Quote or these Terms and Conditions is unenforceable or invalid, each shall be interpreted and enforced to the greatest extent possible as if the unenforceable provision had never been a part hereof or thereof.