

Terms and Conditions

1. DEFINITIONS

- a) SELLER: As used in this QUOTATION and or SALES ORDER, means Rush Gears Inc., Globe Transmission Corp., Globe Gears or any of its subsidiaries or divisions.
- b) FURNISH COMPLETE: SELLER will furnish parts, gears, machinery or apparatus complete, including material, with all the machining, cutting, heat treat, and/or assembly operations being performed in accordance with specifications stated herein or on drawings.
- c) MACHINING AND/OR CUTTING ONLY AND/OR HEAT TREAT ONLY AND/OR GEAR GRIND ONLY: Buyer furnishes to Seller material and/or machined blanks ready for the operations as specified herein only.

2. ACCEPTANCE, GOVERNING PROVISIONS, AND CANCELLATION

No orders for products or services of Seller shall be binding upon the Seller unless accepted in writing by an authorized official at its Home Office. Any such order shall be subject to these terms and conditions of sale and acceptance of an order by the Seller shall be expressly conditioned on assent to such terms and conditions. No modifications to these terms and conditions or other conditions will be recognized by Seller unless specifically agreed to in writing and failure of Seller to object to provisions contained in any purchase order or other communications from a Buyer shall not be construed as a waiver of these conditions or an acceptance of any such provisions. Receipt of Purchase Order from Buyer for products and services contained herein represents acceptance of these terms and conditions. Any contract for sale and these conditions and terms shall be governed by and construed according to the laws of the State of PENNSYLVANIA. **No order accepted by Seller may be altered or modified by the Buyer unless agreed to in writing by the Seller; and no such order may be canceled or terminated at any time after receipt of such order in writing by Seller. Order(s) placed by Buyer before 3:00pm ET are considered received the same business day. Order(s) placed by Buyer after 3:00pm ET are considered received the next business day.**

3. DELIVERY

Delivery shall be F.O.B. Seller's plant. Delivery of products to a carrier at Seller's plant or other shipping point shall constitute delivery to Buyer and title shall pass at that time, regardless of freight payment. All risks of loss or damage in transit shall be borne by Buyer. Delivery promises are based on Seller's best judgment and Seller will attempt to fill orders at the agreed time. However, Seller shall not be liable for any damage claimed to result from any delay in delivery due to any cause whatsoever. Delivery times do not include business holidays.

4. TERMS OF PAYMENT

All invoices are due and payable net thirty (30) days from date of invoice from Buyers with approved credit. Delays in transportation shall not extend terms of payment. Seller reserves the right to collect payment in part or in full as a condition of acceptance of an order from Buyer. Should the Buyer's financial responsibility become unsatisfactory to the Seller, cash payment or satisfactory security may be demanded by the Seller and in default of such cash payment or satisfactory security, deliveries herein may be discontinued at the option of the Seller and a charge rendered covering the value of any partially finished articles that are being manufactured on this order or contract. Seller retains all other remedies it may have as a result of Buyer's unsatisfactory financial responsibility.

5. TAXES AND OTHER CHARGES

Any manufacturer's tax, retailer's occupation tax, use tax, sales tax, excise tax, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever, imposed by any governmental authority, on

or measured by any transaction between Seller and the Buyer, shall be paid by the Buyer in addition to the prices quoted or invoiced.

6. WARRANTY

Seller's products are not warranted or recommended for any specific customer application. It is the Buyer's responsibility to calculate and determine the proper gear selection, horsepower ratings and safety factors for any specific application. Seller's products are intended for commercial industrial uses. They are not to be used in automotive, marine or aircraft drive train or propulsion systems. Seller warrants its products to be free from defects in materials and workmanship for a period of sixty days from date of shipment by Seller. If within such period any such product shall be proved to Seller's satisfaction to be so defective, such products shall be repaired or replaced at Seller's option. Seller's obligation upon such warranty shall be limited to such repair and replacement and shall be conditioned upon Seller's receiving written notice of any alleged defect within 10 days after its discovery, but not more than 60 days after receipt, and at Seller's option, return of such products or parts to Seller F.O.B. its factory. This warranty shall not apply to products or parts not manufactured by Seller or to products or parts which shall have been repaired or altered by others than Seller so as, in its judgment, adversely to affect the same, or which shall have been subject to negligence, accident, damaged by circumstances beyond Seller's control, or improper operation, maintenance or storage or to other than normal use of service. With respect to products and parts not manufactured by Seller, the warranty obligations of Seller shall in all respects conform and be limited to the warranty actually extended to Seller by the supplier. **THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** Seller shall not be subject to any other obligations or liabilities whatsoever with respect to products or any undertakings, acts or omissions relating thereto. The standards of AGMA will be used, where applicable, in the manufacture of gears, unless an express agreement to the contrary is reached between Buyer and Seller. Seller guarantee(s) that all goods and every part and ingredient thereof sold to Buyer are produced in accordance with the Fair Labor Standards Act of 1938 and all amendments thereto.

7. CLAIMS

Expenses incurred in connection with claims for which the Seller is not liable may be charged to the purchaser. No claim for correction will be allowed except for work done with the written consent of the Seller. Defects that do not impair service shall not be a cause for rejection. The Seller shall not be liable under any circumstances, and anything to the contrary herein contained notwithstanding, for any direct, indirect consequential, contingent or incidental damages whatsoever arising from or resulting from the failure or improper functioning of any of its products. Claims for shortages or other errors must be made in writing to Seller within 10 days after receipt of shipment and failure to give such notice shall constitute unqualified acceptance and waiver of all such claims by purchaser. The Buyer will defend, at his own expense, and hold Seller harmless against any suit that may be brought against Seller by reason of the manufacture or sale of parts made to the Buyer's specifications. No claim will be allowed for material mutilated by the Buyer or damaged in transit. Where the Buyer furnishes the material, and it proves defective or involves expense not contemplated by the contract, the Seller will invoice all expenses involved. When work of any kind is performed by Seller on material supplied by the Buyer, Seller shall not be liable for any cost of the material or other damages in event of spoilage or rejection for whatsoever cause or reason. The

Seller shall not be liable for loss of patterns, tooling, or merchandise by reason of circumstances beyond Seller's control.

8. ALTERATIONS

No alterations in specifications, either for total quantity, delivery, mechanical, chemical or other details may be made without written consent of an authorized official of Seller and readjustment of price.

9. PRICING POLICY

Prices quoted are for acceptance within 30 days. Prices are based on running the full quantity for shipment at one time and to one destination unless otherwise agreed to in writing.

10. ERRORS AND VARIANCES

All clerical errors in Seller's quotations, acknowledgments and invoices are subject to correction.

11. OVERRUNS -- UNDERRUNS

All quotations are based on customer accepting overruns or under runs, not exceeding 10% of quantity ordered, to be paid for or allowed pro rata.

12. PACKING

All prices listed provide for packing in accordance with the Company standard specifications.

13. DEVELOPMENT, DRAWING, PATTERN AND/OR TOOL CHARGES

Development, drawing, pattern and/or tool charges quoted in a proposal represent the Buyer's proportionate cost thereof and it is expressly understood that such drawings, patterns, and/or tools remain the property of the Seller, unless otherwise agreed in writing.

14. PATENTS, ETC.

Seller will have no responsibility whatsoever with respect to patent infringement if the infringing products shall have been made to the specifications of the Buyer or a third party or if such alleged infringement shall consist of the use of Seller's products for purposes other than those for which the same shall have been sold by Seller and Buyer shall indemnify Seller against all claims arising out of alleged infringement of patents, designs, copyrights, or trademarks with respect to any goods manufactured to Buyer's specifications.

15. SAMPLES SUPPLIED BY BUYER

These terms apply when drawings are not available and Seller is producing new product(s) from dimensions taken from original gear(s). Seller will make the best attempt to determine the approximate original specifications and or properties of the original product. Seller has no way of determining what the exact original material and or specifications were or what the exact original manufacturing and or heat treating processes were. It is the responsibility of the Buyer to notify Seller in writing of dimensions and or tolerances that are critical to the Buyer's intended use of the product(s).

16. ADDITIONAL COSTS

Prices quoted by Seller are based on Seller's best attempt to estimate all costs needed to produce products that are made to order from customer's specifications or samples. However, from time to time an unforeseen need for special tooling and or processes may be required in order to produce made to order products that conform to the customer's specifications or samples. In the event of this occurrence Seller reserves the right to charge the customer in addition to the originally quoted price for any additional costs incurred in order to conform to the customer's specifications or samples. Furthermore, Seller shall not be liable for any damage or costs claimed to result from any delay in delivery due to any cause whatsoever.

Revised 12/12/2013