



CHALMERS SUSPENSIONS INTERNATIONAL INC.

TERMS & CONDITIONS

1. **ACCEPTANCE.**

This purchase order constitutes the entire agreement between Buyer and Seller regarding the subject matter hereof and supersedes all provisions in any prior offer, quotation or proposal by Seller. It may be amended only by written change orders signed by Buyer. By acknowledging receipt of this order or by shipping the goods or performing the services called for by this order, Seller agrees and accepts the terms and conditions contained herein. Buyer shall not be bound to this purchase order, any order confirmation or other form of Seller unless signed by Buyer.

2. **PRICING.**

If prices are omitted on the face of this order, Seller's prices are subject to Buyer's written approval attached to the face of this order.

3. **SHIPPING.**

Seller shall pay all packing and cartage costs unless otherwise shown on the face of this order. The goods shall be packed and shipped by Seller in accordance with Buyer's instructions and good commercial practice to ensure against damage from weather or transportation.

4. **CHANGES.**

Buyer may at any time make changes to this order if Buyer deems necessary. If any such change affects delivery, Seller shall notify Buyer immediately in writing of the new delivery schedule and the reasons for such change. Any change will only be authorized by written amendment to the basic purchase order signed by Buyer and attached to the original order.

5. **TIME IS OF THE ESSENCE.**

Time is of the essence. If deliveries are not made at the time specified Buyer reserves the right to cancel, or require that delivery be made by express air freight at Seller's cost.

6. **PROPRIETARY INFORMATION.**

Buyer shall at all times have title to all drawings, specifications and other documents furnished by Buyer hereunder. Seller shall hold them in confidence and use the same only to the extent necessary for execution of this purchase order and shall, upon Buyer's request, promptly return to Buyer all copies of the same.

7. **UNAUTHORIZED REWORK.**

Under no circumstances is the Seller permitted to use substitute material, to replace defective articles or to repair or rework them, by welding or otherwise without Buyer's written permission.

8. **SPECIAL TOOLING.**

Designs, tools, jigs, dies, forgings, fixtures, templates, patterns and drawings (the "tools") furnished by the Buyer and tools made or acquired by Seller for performance



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of Buyer's order, the cost of which is separately quoted, shall remain or become the property of Buyer. Such tools shall be used exclusively for production under Buyer's orders and to be returned if required upon written request by Buyer. PPAP level 3 and its annual validation, as mentioned in Chalmers Suspension Supplier Quality Manual, to be submitted by the Seller.

9. **WARRANTY-PRODUCT.**

Seller warrants all goods delivered hereunder shall conform to specifications, drawings, samples or other descriptions referenced herein and shall be fit for the purpose for which purchased. Seller further warrants that services furnished hereunder shall conform to specifications and shall be performed in a skilled and workmanlike manner. Goods or services found to be defective in material or workmanship or nonconforming with specifications shall, at Buyer's option, be replaced, corrected, or repaired in place by Seller, or be replaced at Buyer's premises by Seller, or be returned to Seller at Seller's expense (including transportation and handling costs) for full refund.

10. **INDEMNITY AND INSURANCE.**

Seller shall defend, indemnify and hold Buyer, its employees, agents, customers, successors and assigns, harmless from any and all liabilities (including attorney's fees), claims, or suits arising out of: (a) Seller's defective performance of this purchase order; and (b) any claim that the subject goods or services infringe any patent, trademark, or similar rights. Seller shall maintain such public liability insurance (including products liability, completed operations, contractors' liability and protective liability), automobile liability insurance, (including non-owned automobile liability), and workmen's compensation and employers' liability insurance as will adequately protect Buyer against such damages, liabilities claims, losses and expense (including attorney fees).

11. **STATUTORY AND REGULATORY REQUIREMENTS.**

Seller warrants that the Goods and its performance of this Purchase Order will comply with the requirements of all applicable federal, state and local statutes, regulations and orders which may now or hereafter govern or restrict Seller's performance under this Purchase Order or Buyer's use or sale of the Good. Seller will defend, indemnify and save harmless Buyer from any claim, loss or damage arising in whole or in part from Seller's violation or alleged violation of the same. If this order is indicated for a government contract, Seller further agrees to fully comply with all applicable regulations and filings governing such contracts.

12. **CERTIFICATION.**

Suppliers should be minimum ISO 9001 registered and IATF 16949 compliant.

Chalmers Quality System requirements shall be met as per agreed milestones and not to be delayed due to pending commercial issues, if any.