

VRC ENGINEERED SOLUTIONS TERMS AND CONDITIONS - STANDARD

- 1) **Definitions.** Capitalized words not otherwise defined in these Terms and Conditions (the “**Terms**”) will be as defined in the uniform commercial code of the State of Wisconsin, Chapters 401 to 411, Wisconsin Statutes (the “**UCC**”). If and to the extent Buyer issues a “purchase order”, “P.O.”, “purchase agreement”, or like document evidencing its desire to purchase Goods (a “**P.O.**”) from Seller, the P.O. shall be made subject to these Terms in all respects, and to the extent a term or provision set forth in any such P.O. differs from the same or like term or provisions of these Terms, the meaning of the term or provision will be as set forth in these Terms and supersede any other terms which may be denoted on any proposals, P.O. or any other business documents.
- a. “**Seller**” means Ritus Corporation, a Wisconsin corporation d.b.a. **VRC Engineered Solutions**, and Seller’s Affiliates and business units, existing and future.
 - b. “**Affiliate**” means an entity directly or indirectly owned by or controlling, controlled by or commonly controlled together with Seller (Seller and each Affiliate referred to as a “**Seller Company**”).
 - c. “**Buyer**” means the person or entity on whose behalf sent a P.O. to Seller, and Buyer’s affiliates, successors and assigns.
 - d. “**Specifications**” means any further documentation by which Seller agrees to the sale of Goods to Buyer.
 - e. “**Goods**” means the goods identified in the P.O. sold and subject to these Terms.
 - f. “**Delivery**” means the voluntary transfer of possession of the Goods by Seller to Buyer, EXW – Ex Works (Incoterms® 2020), at Seller’s premises.
 - g. “**Delivery Date**” means the date identified in the P.O. as the date Seller agrees to use its reasonably commercial efforts to effect Delivery of the Goods.
 - h. “**Force Majeure**” means any cause or event beyond the reasonable control of Seller such as, but not limited to, war, riots, acts of God or public enemy, fire, explosion, flood, earthquake, strike, lockout or other labor disturbance, embargo, actions of any governmental authority, interruptions or delay in transportation, or delay or failure of usual carriers, suppliers or materials necessary for Seller to supply the Goods.
 - i. “**Purchase Price**” means the cost of the Goods charged by Seller to Buyer and due from Buyer to Seller including all costs of packing and making Delivery of the Goods from Seller to Buyer, Taxes, and the cost of filing any lien or financing or termination statement with respect to Seller’s security interest in the Goods. In the event Seller agrees to any Delivery other than EXW – Ex Works, Purchase Price shall include any and all costs incurred by Seller for freight transportation, bill of lading fees, and insurance.
 - j. “**Taxes**” means all applicable taxes levied, imposed or claimed as owing by a governmental body as a result of the sale of the Goods from Seller to Buyer including sales, use and excise taxes and other duties or assessments, and excluding taxes relating to the income of Seller.

2) **Performance.**

- a. **In General.** Each separate Delivery of Goods shall be deemed a separate sale with the obligation of Buyer to pay Seller therefor without regard to the ordering or Delivery of any other Goods pursuant to any P.O. or any other agreement between Seller and Buyer.
- b. **Timing.** Seller will not be liable for the delay in or failure to make any Delivery of Goods where such delay or failure is caused by or resulting from **(i)** Seller's inability to obtain the materials necessary to manufacture the Goods, including resin, in the normal course, and Buyer's lead times other than in the normal course; and **(ii)** Force Majeure. No event of Force Majeure, however, will relieve Buyer from making payment for Goods Delivered when and as due. Title to and the risk of loss of the Goods will pass from Seller to Buyer upon completion of Delivery. Upon receipt of the Goods, Buyer will promptly inspect the Goods and promptly notify Seller of any defects therein, and all Goods shall be deemed accepted absent notice received by Seller from Buyer within 30 days of Delivery.
- c. **Change Orders.** All changes, additions, alterations, deviations or extras to the Goods requested by Buyer subsequent to the date of the P.O. will constitute a "**Change Order**", and Seller will specify the additional amount to be paid therefor by Buyer and the change, if any, in the time of Delivery, and each Change Order will be incorporated as part of the applicable P.O.
- d. **Allowances.** With respect to each separate Delivery of Goods, Seller reserves the right, which Buyer specifically acknowledges and accepts, to Deliver an amount of Goods representing more ("**overage**"), or up to 5% less ("**allowed shortage**"), than the amount of Goods specified in the the applicable P.O. Buyer may keep, use, disregard and/or dispose of any overage in its discretion. Seller shall not be in breach or default of any obligation due to an allowed shortage, so long as Seller promptly takes steps to effect Delivery of the amount of Goods constituting the allowed shortage.

3) **Payment of Purchase Price.** The Purchase Price for the Goods due from Buyer to Seller will be paid to Seller at its offices in Milwaukee, Wisconsin at the times and in the amounts (percentages) set forth in the P.O. in cash or otherwise immediately available funds in U.S. Dollars. Time is of the essence as to all terms of payment. Payments not received by Seller within (10) days, as agreed to hereunder will be considered delinquent and will accrue service charge fees of the lower of 1.5% per month (18% per year) or the highest rate allowed by law on all past due amounts, plus all costs and expenses incurred by Seller as a result of collection efforts including but not limited to attorneys' fees. The failure of Buyer to make proper payment when due will, in addition, to all other rights, entitle Seller in its sole discretion to suspend or recall any shipment of any Goods, to suspend all further obligations under any P.O. of Buyer until all payments due are made, including all warranty obligations, and/or to terminate any and all P.O.s in their entirety.

4) **Taxes.** Buyer agrees to pay all Taxes whatsoever due as a result of the sale of Goods from Seller to Buyer, and to indemnify Seller against the liability for the payment of all such Taxes, whenever claimed to be due. Seller in its sole discretion may include as part of the Purchase Price an amount for Taxes unless Buyer furnishes to Seller copies of all applicable certificates of exemption therefrom. Nothing herein will relieve Buyer of the obligation to pay the total Purchase Price at the time(s) and in the amount(s) agreed to in the P.O. without setoff or deduction for any Taxes paid by Seller. Seller will assign its right, title and interest

in all such refunds of Taxes paid on behalf of Buyer which are later determined not to be due or owing, and Seller will pay to Buyer all Taxes paid on behalf of Buyer which are refunded to Seller.

5) **Warranty.** As the exclusive warranty for the sale of Goods, and conditioned upon Seller's receipt of all payments in full due Seller therefore, Seller warrants until the expiration of 12 months from the Delivery Date that the Goods will: **(a)** be free from any defects in materials and workmanship; and **(b)** not infringe upon or misappropriate the intellectual property rights of any third party; provided, however, that the Goods have not been damaged as a result of the neglect by Buyer, nor used other than in the normal course. Subject to the foregoing, for Goods covered by the warranty, Seller will repair, or replace or refund the Purchase Price of broken or defective Goods at Seller's cost and expense. In all other instances, Seller's labor costs, and shipping and travel expenses to repair or replace broken or defective Goods will be Buyer's responsibility, for which Seller may demand payment in advance in its sole discretion. The exclusive warranty extends to Buyer alone and terminates automatically upon Buyer transferring the Goods to any third party. Seller specifically excludes from warranty coverage **(y)** damage from failure to use the Goods as intended; and **(z)** damages to the Goods for which Buyer's loss is insured. There is no other warranty, express or implied, including any warranty of merchantability, fitness for a particular purpose or otherwise. Seller is not liable for any loss or indirect, special, incidental or consequential damages, or loss of profits of any sort, whether based in contract or tort, resulting from the supply, failure to supply, or failure or malfunction of the Goods. Seller's maximum liability hereunder is limited to the amount received by Seller hereunder. Buyer's sole remedy against Seller for any damages arising out of the sale of the Goods will be limited to the warranty set forth above. Each Seller Company is solely responsible for its own obligations and performance, and obligations made, given or entered into by a Seller Company is made, given or entered into by that entity severally in relation to itself only. In no event shall a Seller Company be liable under these Terms or any P.O. for the performance, acts or omissions of any other Seller Company. The liability of Seller and any Affiliate in respect of any breach of these Terms or any P.O. shall extend only to any loss or damage arising from its own breach under each P.O. to which it is party.

6) **Exercise of Warranty.** The above-stated warranty (except for the warranty set forth in subparagraph **5(b)**) may be exercised only in writing by Buyer giving notice to Seller within ten (10) days subsequent to Buyer first becoming aware of a claim covered by the warranty, which notice specifies in detail the damage to or defect in the Goods, and in the event Buyer has reason to believe that any damage has occurred in whole or in part during shipping, Buyer will also give notice to the carrier as may be required by any such carrier or insurer, and promptly provide a copy of same to Seller. The warranty set forth in subparagraph **5(b)** may be exercised only in writing by Buyer giving notice to Seller within ten (10) days subsequent to Buyer first becoming aware of a claim to which the warranty may apply. In the event Seller first becomes aware of a claim to which the warranty set forth in subparagraph **5(b)** may apply, Seller will promptly give Buyer notice of the claim. No warranty claim by Buyer in respect of any portion of the Goods voids or excuses Buyer's remaining obligations under any P.O.

7) **Buyer Representations and Acceptance.** In executing a P.O., Buyer represents that:

- a. Buyer has the necessary financial resources to fulfill its obligations under the P.O.;
- b. The person sending the P.O. on behalf of Buyer has the legal authority to do so and obligate Buyer to the full extent of the P.O., and Buyer accepts the obligations herein for and on behalf of all its affiliates and related entities who may use or possess the Goods;
- c. Buyer agrees that the Goods may be tendered by Seller in one or more Deliveries and the payment therefore may be apportioned and due for each such Delivery, and
- d. The Goods have been manufactured in part specifically for Buyer and in the event Buyer fails to perform its obligations under the P.O., Seller cannot readily resell the Goods to another buyer, and therefore Buyer agrees that it may not cancel the P.O. and Seller may seek to enforce Buyer's obligation to pay the Purchase Price in full.

8) **Security Interest in the Goods.** Until paid in full for the Goods including Taxes, Seller will have a security interest in the Goods, and until Seller is paid in full Buyer will not transfer the Goods to any third party or suffer or allow any interest other than Seller's security interest to attach to the Goods including any lien or encumbrance. The existence of the P.O. constitutes Buyer's consent to Seller's security interest in the Goods and Buyer agrees not to contest Seller's security interest in the Goods. By entering into the P.O. Buyer hereby appoints Seller as its attorney-in-fact to execute and sign all documentation necessary in Seller's discretion to perfect Seller's security interest in the Goods including any liens, financing statements and notices thereof. The lack or failure of Seller to make a filing or give notice of its security interest in the Goods will not be evidence as between Seller and Buyer of the lack of a security interest or the intent of the parties to provide Seller a security interest in the Goods.

9) **Governing Law and Jurisdiction.** All P.O.s will be governed by, construed and enforced in accordance with the laws of the State of Wisconsin including the UCC without giving effect to the rules respecting its conflicts of law principles. The courts of Milwaukee County Wisconsin will have exclusive jurisdiction to entertain and determine all disputes and claims both at law and in equity arising out of or in any way connected with the validity, existence, enforceability, construction, breach or alleged, threatened or anticipated breach of the P.O., to which the parties admit to having personal jurisdiction over them. Both parties waive rights to a jury trial.

10) **Signing; Counterparts; Notices.** A P.O. may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall be considered one and the same agreement with these Terms, it being understood that Buyer and Seller need not sign the same counterpart. The exchange of copies of a P.O. or a Change Order by facsimile or by email transmission in portable document format, or similar format, including electronic signature process, shall constitute effective execution and delivery of such instrument(s) as to the Buyer and Seller and may be used in lieu of an original P.O. or Change Order for all purposes. Signatures of the Buyer and Seller transmitted by facsimile or by email transmission in portable document format, or similar format, including electronic signature process, shall be deemed to be their original signatures for all purposes and shall constitute execution of a P.O. or Change Order by such party. All notices, demands and payments required or permitted to be given under any P.O. or Change Order will be in writing and may be delivered personally, sent by facsimile or by email transmission in portable document format, or similar format, or by overnight courier, or may be forwarded by first class prepaid mail to the address of Buyer set

forth in the P.O. and to Seller's address at: **VRC Engineered Solutions, 7900 N. 73rd St., Milwaukee, WI 53223.**

11) **Entire Agreement; Execution; Non-Assignability.** Each P.O. along with these Terms constitutes the entire agreement of the parties. It is expressly agreed that no statement, arrangement, warranty or understanding, oral or written, express or implied, will be recognized unless it is stated in or otherwise permitted by the P.O. and these Terms. A P.O. and these Terms may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same document. Delivery of an executed copy of the P.O. and these Terms may be sent by any normally reliable means including electronically, facsimile or other method. No P.O. is assignable by Buyer without Seller's prior written consent.

12) **Enforceability; Non-Waiver.** Any provision of provisions of these Terms which may prove to be invalid, void or illegal will in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof will nevertheless remain in full force and effect. No condoning, excusing or waiver by either Seller or Buyer of any default, breach or non-observance by the other party at any time in respect of any covenant, provision or condition contained in these Terms or a P.O. will operate as a waiver of that party's rights hereunder or thereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of that party in respect of any continuing or subsequent default, breach or non-observance, and no waiver will be inferred from or implied by anything done or omitted to be done by the party having those rights.