

**PARK-OHIO PRODUCTS, INC.**  
**TERMS AND CONDITIONS OF PURCHASE**

1. Acceptance. This Purchase Order ("Order") is an offer to Seller by Park-Ohio Products, Inc. ("POP") for the purchase of goods and/or services and includes and is governed by these Terms and Conditions of Purchase ("Terms"). This Order supersedes all prior agreements, orders, quotations, proposals and other communications regarding the goods and/or services covered by this Order. . This Order does not constitute an acceptance of any offer or proposal made by Seller. Any reference in this Order to any offer or proposal made by Seller is solely to incorporate the description or specifications of goods and/or services in the prior proposal, but only to the extent that the description or specifications do not conflict with the description and specifications in this Order. Seller accepts these Terms and forms a contract by doing any of the following: (a) commencing any work under this Order; (b) accepting this Order in writing; or (c) any other conduct that recognizes the existence of a contract with respect to the subject matter of this Order. **THIS ORDER IS LIMITED TO AND CONDITIONAL UPON SELLER'S ACCEPTANCE OF THESE TERMS EXCLUSIVELY.** Any additional or different terms proposed by Seller, whether in Seller's quotation, acknowledgement, invoice or otherwise, are material alterations and are expressly rejected by POP, and will not become part of this Order.

2. Specifications and Quantities. All goods and/or services furnished under this purchase Order must comply strictly with any specifications, instructions, drawings, data, samples and other descriptions furnished or accepted by POP. Quantities listed in this Order are POP's best estimate of the quantities of goods it might purchase from Seller for the contract term specified in this Order. If no other quantity is stated on the face of this Order or if the quantity is blank or states "blanket" or a similar term, then this Order is a requirements contract under which Seller is required to supply all of POP's requirements. POP's requirements shall be defined as those quantities ordered by POP from time to time, as evidenced by written releases issued by POP from time to time. POP's requirements are determined by the needs of POP's customers and such needs may change from time-to-time. If the requirements of POP's customers or market, economic or other conditions require changes in delivery schedules, POP may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments without entitling Seller to a price adjustment or other compensation. If the Order covers services, POP is required to purchase such services to the extent expressly stated in a work order signed by POP. Unless expressly stated on the face of the Order or in a signed agreement, POP is not required to purchase goods and/or services exclusively from Seller.

3. Price and Payment. Prices shall be as agreed to between POP and Seller and specified in this Order. If not specified, the payment terms shall be net 60. Seller warrants to POP that all prices, terms, warranties and benefits taken as a whole granted to POP are at least as favorable as those offered by Seller to any of its other customers ordering similar goods and/or services in similar quantities. Seller agrees that any price reduction made in goods and/or services covered by this Order subsequent to the placement of this Order will be immediately applicable to this Order. Except as provided in the preceding sentence, prices are firm for the duration of this Order, and no price increase, surcharge or other addition to the price may be applied to the goods and/or services covered by this Order. Except as may be otherwise provided in this Order, the price specified includes all applicable federal, state and local taxes. Payment for goods and/or services accepted by POP shall be net 60 days from the date of receipt of an accurate invoice from Seller, unless otherwise specified. POP may withhold payment pending receipt of evidence, in the form and detail requested by POP, of the absence of any liens, encumbrances, or claims on goods and/or services provided under this Order. POP shall have the right to offset any claim for reimbursement of costs and damages against any and all sums owing to Seller.

4. Changes. POP reserves the right at any time to make changes in drawings, designs, specifications, quantities and delivery schedules as to any goods and/or services covered by this Order and Seller shall be bound by any such changes. Any differences in price or time for performance resulting from such changes shall be equitably adjusted and agreed to by POP. Any claim by Seller for adjustment under this Article must be asserted within thirty (30) days from the date of notification of the change. Seller shall not make changes to the specifications or design of any goods or services supplied under this Order without the prior written approval of POP.

5. Delivery. Time of delivery and quantities ordered are of the essence of this Order. Deliveries of goods or services ordered hereunder are to be made both in the quantities and at the times specified by this Order and Seller agrees to 100% on-time delivery of the quantities and at the times specified by POP. POP shall have the right, without liability to Seller, to: (a) refuse to accept delivery if shipments are made in advance of schedules herein or if quantities are in excess of this Order or (b) cancel this Order if shipment or performance is not made in accordance with such schedules for quantities, or time periods. In the event Seller fails to deliver the goods and/or services hereunder in accordance with the delivery dates or other agreed to schedule incorporated into this Order or any applicable release, POP, in addition to any other remedies available to it at law or in equity, shall be entitled to collect from Seller the excess cost of re-procuring similar items or services, and/or the cost of expedited shipping, plus any consequential, incidental or indirect damages arising out of Seller's late or non-delivery.

Payment of POP's costs and damages shall not relieve Seller from performance of any of its obligations under the applicable Order. Any provisions herein for delivery of goods and/or services or the rendering of services by installments shall not be construed as making the obligations of Seller severable.

6. Force Majeure. Neither POP nor Seller shall be liable for failure to perform their respective obligations under the Order to the extent such delay or failure is due to fire, flood, explosion, war, acts of terrorism, riot, acts of God or the public enemy, or any act or event of any nature beyond its reasonable control and which was neither foreseeable nor due to the party's negligence, provided written notification of excusable delay is given to the other party within ten (10) days of the occurrence causing same, and provided that such occurrence shall not relieve the affected party of its performance obligations to the extent its ability to perform is unaffected by such occurrence. Notwithstanding the foregoing, an actual or potential labor dispute, commodity price fluctuation or shortage of materials shall not be deemed to constitute an act of force majeure. During any delay or failure to perform by Seller, POP may: (a) purchase substitute goods from other available sources, and Seller will reimburse POP for additional costs to POP of obtaining the substitute goods and/or (b) have Seller provide substitute goods from other available sources in quantities and at times POP requests and at the prices set forth in this Order. If Seller is subject to a force majeure event that lasts for fourteen (14) days or more, POP may, in addition to any other rights granted herein or under law or equity, terminate this Order, in whole or in part, without liability to Seller.

7. Title and Risk of Loss. Title to and risk of loss or damage to, the goods and/or services shall transfer to POP at the time Seller delivers and POP accepts delivery of the goods and/or services.

8. Inspection. All goods and/or services are subject to POP's inspection, including at the source, if deemed necessary by POP or required by government regulation. POP may reject the entire shipment, where it consists of a quantity of similar articles and sample inspection discloses that the articles inspected contain defective design, material or workmanship or do not conform to specifications or samples, unless, at POP's discretion, Seller agrees to reimburse POP for the cost of a complete inspection sort of the articles included in such shipment. Payment for the goods or services furnished hereunder shall not constitute acceptance thereof. Acceptance, inspection, or failure to inspect by POP does not relieve Seller of any of its responsibilities or warranties.

9. Adequate Assurance. If, during the term of this Order, Seller's financial condition is found to be or becomes unsatisfactory to POP in its sole discretion or should Seller's ability to perform become doubtful, POP may demand immediate assurance of performance, and in the event that such assurance is not forthcoming within five (5) working days, POP may terminate this Order and also terminate all other contracts with Seller whether or not Seller may otherwise be in default, and no rights shall accrue to Seller against POP on account of any such terminations. POP's duties hereunder are conditioned upon the continuance of Seller's solvency and Seller's ability to perform within the delivery schedule.

10. Warranties. Seller represents and warrants that all goods covered by this Order shall: (a) be merchantable, (b) be free from defects in design (to the extent the design is provided by Seller), material and workmanship; (c) be selected, designed (to the extent the design is provided by Seller), be fit and sufficient for the particular purposes intended, whether express or implied; (d) conform strictly to specifications, instructions, drawings, data, samples and other descriptions furnished or accepted by POP; and (e) conform to all applicable laws, orders, regulations and standards in countries where the goods are produced or are to be sold and (f) comply with all other implied warranties provided to POP under law or equity. Seller warrants that all services shall be performed in a professional and workmanlike manner consistent with all standards and specifications furnished or accepted by POP and in accordance with standard industry practice. Seller further warrants that it has good title to the goods, free and clear of all liens and encumbrances. All warranties run to POP and its customers and end-users, and survive any inspection, delivery, acceptance or payment by POP. The warranty period is the longest of: three years from the date POP accepts the Supplies; the warranty period provided by applicable law; or the warranty period offered by POP or POP's customer to end-users. Seller will immediately notify POP in writing when it becomes aware of any ingredient, component, design or defect in the good and/or services supplied that is or may become harmful to persons or property. POP's approval of any design, drawing, material, process or specifications will not relieve Seller of these warranties.

11. Remedies for Warranty Failure. In the event of any failure to meet any of the warranties set forth above, POP may, in addition to any other rights it may have, at its option, (a) return the defective goods to Seller for refund, repair, or replacement at Seller's risk of loss, damage and expense; or (b) repair, repurchase or replace for itself all goods and/or services failing to meet the above warranties. All costs incurred as a result of Seller's supply of defective goods and/or services including, but not limited to costs of repurchase or replacement, manpower and field service, shall be charged to and borne by Seller. Seller shall pay any such invoice within thirty (30) days from receipt. If any defective goods are returned to Seller (at Seller's expense) for repair or replacement, the repaired or replacement goods shall be shipped freight prepaid to POP within ten (10)

days of receipt by Seller of the defective goods, unless otherwise specified by POP. Risk of loss or damage during shipment shall be the responsibility of Seller.

12. Gratuities. Seller warrants that it has not and will not offer or give to any employee, agent or representative of POP any gratuity with a view toward securing any business from POP. Any breach of this warranty shall be a material breach of each and every contract between POP and Seller.

13. Indemnification. Seller agrees to defend, indemnify and hold harmless POP, its customers and end-users from and against any and all loss, damage, liability, cost and/or expense whatsoever (including consequential, incidental and special damages, and including reasonable attorneys' fees and court costs) caused in whole or in part by: (a) Seller's acts or omissions, including but not limited to, any loss arising from breach of contract, negligence, strict liability or failure to warn; (b) the defective design (to the extent the design is provided by Seller), material or workmanship in the goods furnished under this Order; (c) breach of any applicable laws, orders, regulations or standards; or (d) any actual or alleged infringement of patents, copyrights, trademarks, trade names, trade secrets and/or other intellectual property rights arising out of or resulting from the sale and/or use of any goods and/or services provided hereunder. POP shall notify Seller of any such claim, suit or action that becomes known to POP, afford Seller control of the conduct of such settlement or defense, and provide Seller with its reasonable assistance, at Seller's expense. If use of any product found to be infringing hereunder is enjoined, Seller shall, at POP's option and Seller's expense, either (i) procure for POP the right to continue using the allegedly infringing product; or (ii) modify or replace it with non-infringing product suitable to POP's form, fit and function standards, safety standards, and customer requirements, or (iii) accept the return of the goods and provide POP with a full refund.

14. Insurance. Seller shall maintain at all times during the performance of the contract for POP under the contract which results from the acceptance of this Order, workers' compensation insurance with applicable statutory limits, employer's liability of \$1,000,000 limit, and commercial general liability insurance including products, completed operations, and contractual liability coverages with limits of \$1,000,000 bodily injury and property damage, \$1,000,000 products and completed operations, \$2,000,000 General Aggregate, and Automobile on a combined single limit of \$1,000,000 per occurrence. Seller shall furnish to POP, upon request, an insurance certificate and/or state issued certificate evidencing the above coverages. Insurance certificates shall be endorsed to provide that POP is named as an additional insured under the policies. The certificate shall contain a waiver of subrogation in favor of POP, as well as the requirement that POP be notified in writing at least thirty (30) days prior to any substantial modification or termination of the subject policy.

15. Liens. Seller shall be solely responsible for all claims of whatever nature arising out of non-payment for services, labor and materials furnished or contracted for by Seller in performance of work hereunder, including all liens which may be levied against POP or its customer. Before payment, or at any time upon POP's request, Seller shall furnish POP with an affidavit conforming to the laws of the state in which the work is performed, or in absence of any such law, then an affidavit satisfactory to POP, setting forth the names and amounts due and remaining unpaid to all persons furnishing services, labor, or materials hereunder. POP shall have the right to pay directly to all such lien-holders or Seller's creditors any and all such amounts as may be due them and deduct same from any payments due to Seller.

16. Confidential Information. All of the information belonging to or supplied by or on behalf of POP hereunder is confidential and/or proprietary and shall be treated as confidential and/or proprietary. Seller shall not, without prior written consent of POP, use or disclose any data, designs, drawings, specifications, know-how or other information belonging to or supplied by or on behalf of POP, except in performance of orders for POP. Upon POP's request such data, designs, drawings, specifications, know-how or other information and all copies thereof shall be promptly returned to POP. Seller agrees not to disclose any of its confidential and/or proprietary information to POP.

17. Continuing Availability of Maintenance, Replacement, and Repair Parts. Seller shall notify POP in writing at least one hundred eighty (180) days prior to the date on which Seller intends to discontinue supplying goods and/or services covered by this Order or no longer make such goods and/or services available. Seller agrees to offer for sale to POP, at the then existing Order price, the opportunity for a lifetime buy of goods covered by this Order. In the event Seller fails to supply the foregoing or Seller is unable to obtain another source of supply for POP, then in addition to whatever other rights and remedies POP may have at law or in equity, POP may require Seller, without obligation or charge to POP, to provide POP with the technical information or any other rights required so that POP can attempt to manufacture, have manufactured or obtain such parts from other sources. Such technical information shall include, without limitation: (1) manufacturing drawings and specifications of raw materials and components comprising such parts; (2) manufacturing drawings and specifications covering special tooling and the operation thereof; (3) a detailed list of all commercially available parts and components purchased by Seller on the open market disclosing the part number, name, and location of the supplier; and (4) Seller's know how.

18. Termination. (a) This Order may be terminated immediately by POP without liability to Seller if any of the following or comparable events occur, and Seller will reimburse POP for all costs incurred by POP in connection with any of the following, including without limitation attorneys' and other professional fees: (i) Seller becomes insolvent; (ii) Seller files a voluntary petition in bankruptcy; (iii) an involuntary petition in bankruptcy is filed against Seller; (iv) a receiver or trustee is appointed for Seller; (v) Seller needs accommodations from POP, financial or otherwise, in order to meet its obligations under the Order; or (vi) Seller executes an assignment for the benefit of creditors.

(b) POP may terminate all or any part of this Order, without liability to Seller, if Seller: (a) repudiates, breaches or threatens to breach any of the terms of the Order; (b) fails or threatens not to deliver goods or perform services in connection with the Order; (c) fails to make progress or to meet reasonable quality requirements so as to endanger timely and proper completion or delivery of goods and/or services and does not correct the failure or breach within ten (10) days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from POP specifying the failure or breach.

(c) POP, by written notice, may terminate this Order in whole or in part at any time for its convenience. If this Order is terminated for the convenience of POP, Seller shall be compensated proportionately to the extent that goods and/or services ordered have been delivered to and accepted by POP prior to the effective date of termination. Other than to this extent, POP shall not be liable to Seller for any damages on account of its failure to accept all of the goods and/or services ordered, including, without limitation, other costs or damages for loss of profit or revenue. In addition to the foregoing, POP shall be entitled to a refund of any progress payment made prior to the date of termination.

19. Remedies. The remedies herein reserved shall be cumulative and additional to any other or further remedies provided at law or in equity. Seller will reimburse POP for any incidental or consequential damages arising out of Seller's breach of this Order, or related to any nonconforming goods and/or services, including without limitation costs, expenses and losses incurred directly or indirectly by POP or its customer(s): (a) in inspecting, sorting, repairing or replacing the nonconforming goods or any system or component that incorporates such nonconforming goods; (b) resulting from production interruptions or slowdowns; (c) conducting recall campaigns or other corrective service actions including, without limitation, the amounts paid to distributors and/or dealers for material and replacement parts and the labor costs to perform such work; or (d) resulting from personal injury (including death) or property damage caused by the nonconforming goods and/or services. POP's damages include reasonable attorneys' and other professional fees incurred by POP. If requested by POP, Seller will enter into a separate agreement for the administration or processing of warranty charge-backs for nonconforming goods and/or services, and will participate in and comply with warranty claims reduction or related programs as directed by POP that relate to the goods and/or services. In any action brought by POP to enforce Seller's obligations in connection with the production or delivery of goods and/or services, the parties agree that POP does not have an adequate remedy at law and POP is entitled to an immediate order for specific performance of Seller's obligations, plus POP's reasonable attorneys' fees.

20. No Waiver. No delay or failure by either party to exercise or enforce at any time any right or provision in this Order shall be considered a waiver thereof or of such party's right thereafter to exercise or enforce each and every right and provision of this Order.

21. Compliance with Laws. In furnishing goods and/or services required under this Order or any amendment thereto, Seller represents, warrants and agrees that it shall comply with the provisions of all applicable federal, state, and local laws, regulations, and orders. Without limiting the generality of the foregoing, Seller specifically agrees to comply with the following: Occupational Safety and Health Act of 1970, as amended ("OSHA"); Toxic Substances Control Act, as amended ("TSCA"); Fair Labor Standards Act of 1938, as amended ("FLSA"); Fastener Quality Act of 1990, as amended ("FQA"), and all applicable export laws, rules and restrictions. Additionally, Seller shall provide North American Free Trade Agreement ("NAFTA") certificate to POP as required.

22. Applicable Law. All Orders from POP shall be governed by and construed and enforced in accordance with the laws of the State of Ohio, USA, excluding its conflict of law provisions. Notwithstanding the above, POP and Seller expressly agree that the U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Order and is specifically and wholly excluded.

23. Limitation of Liability. IN NO EVENT SHALL POP BE LIABLE TO SELLER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR CONTINGENT DAMAGES INCLUDING, BUT NOT LIMITED TO LOSS OF PROFITS, WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

24. Chemical Substances Identification. By acceptance of this Order, Seller certifies that any chemical substance(s) furnished pursuant to this Order have been properly labeled, and that proper information regarding the substance(s), for example, material safety data sheets, has been provided to POP in accordance with any and all federal, state or local legislation.

25. Assignment. POP may assign its rights and obligations under this Order without Seller's prior consent. No assignment of this Order or delegation of its rights or obligations by Seller shall be binding unless agreed to by POP in writing. This Order shall be binding upon the parties and their respective successors (including any entity which acquires substantially all of the assets of either Seller or POP) and permitted assigns.

26. Use of Buyer's Name and Insignia. Seller shall not use Buyer's name, trade names, insignia, symbols, decorative designs or other evidence of Buyer's identity in advertising or for promotion without the prior written consent of Buyer. Any material rejected or not purchased by Buyer which utilizes any of Buyer's names, trade names, insignia, symbols, decorative designs or other evidence of Buyer's identity shall not be sold or used until all of the same has been removed.

27. Tooling. Unless otherwise agreed in writing, all materials, drawings, tools, dies, jigs, gauges, fixtures, patterns, molds, testing apparatus, machinery and equipment, together with all other manufacturing aids used in the manufacture of the goods or services ordered hereunder which are furnished to Seller by Buyer or specifically paid for by Buyer, and any replacement thereof or any materials affixed or attached thereto, shall remain the personal property of Buyer. All such property shall be plainly marked or otherwise adequately identified by Seller as Buyer's property and shall be safely stored separate and apart from Seller's property. Said property shall be subject to removal from Seller's premises by Buyer at any time without further charges. All such property shall be kept in good condition and from time to time replaced by Seller without expense to Buyer, except that the actual cost of changes due to changes of design or specifications by Buyer shall be paid for by Buyer. Such property shall be used for no other purpose except completion of orders submitted by Buyer.

28. Entire Agreement. This Order constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior oral and written and all contemporaneous oral negotiations, commitments and understandings of the parties except that a signed prior agreement (such as a Non-Disclosure Agreement) will continue to apply to the extent not directly in conflict with this Order. This Order may not be changed or amended except by a writing executed by both parties hereto.