

**GENERAL TERMS AND CONDITIONS OF SALE**

**1. DEFINITIONS.** For purposes hereof: (i) "Company" means R-S MATCO LLC, a limited liability company organized under the laws of Delaware; (ii) "Customer" means the individual or entity whose name appears on the face of the Order Confirmation; (iii) "Products" means the products, parts and other goods described on the face of the Order Confirmation; and (iv) "Order Confirmation" means Company's Sales Order or Invoice.

**2. PAYMENT, DELIVERY AND SHIPMENT TERMS; TITLE.** Customer shall pay to Company the amount listed on the Order Confirmation in the manner and in accordance with the terms provided on the face of the Order Confirmation. Any and all taxes imposed by federal, state or other governmental authorities on the sale, purchase, shipment, storage, use or consumption of the Products shall be paid or reimbursed by Customer in addition to the amount listed (and whether or not listed) on the Order Confirmation. Amounts listed on the Order Confirmation shall be exclusive of freight charges, unless otherwise specified. If Customer fails to pay the amount listed on the Order Confirmation within 30 days from date of shipment, Company may, in its sole discretion, without prejudice to any other remedy, do any one or more of the following: (i) postpone shipments, (ii) alter payment terms, (iii) terminate shipments, and (iv) charge interest on all overdue amounts at the rate of 1.5% per month compounded monthly (or such lesser rate as is required by applicable law). Customer shall pay all of Company's costs and expenses, including reasonable attorneys' fees, of collecting any amount not paid when due hereunder. Unless otherwise specified herein, delivery terms shall be F.O.B. Shipping Point or Incoterms 2010 EXW, as the case may be. The Products may be delivered in part or all at one time as determined by Company. Company will use reasonable diligence to meet the scheduled shipment dates provided herein, which are estimates and not guarantees when the Products will actually be shipped. Customer's acceptance of delivery shall constitute a waiver of any claim of damage for delay. Upon delivery of the Products to a carrier, the Products shall become the property of Customer, subject to a reservation of a security interest herein granted to Company. Any losses or damage thereto, not caused by negligence of Company, shall be borne by Customer. Customer shall obtain appropriate risk insurance for fire, theft and extended coverage including vandalism, in which policy Company shall be a named insured, or which otherwise recognizes Company's interest.

**3. SECURITY FOR PAYMENT.** Customer grants to Company a purchase money security interest in the Products to secure the payment of the purchase price of the Products and all other amounts due to Company from Customer. Customer agrees to execute and deliver to Company such security agreements, financing statements and other documents as the Company may reasonably require to perfect and preserve such security interest.

**4. INTEGRATION OF PRODUCTS.** Company is not responsible for the satisfactory operation of the Products in conjunction with other manufacturers' products, nor for any losses which may occur as a result of a failure of the Products to operate in conjunction with other manufacturers' products.

**5. WARRANTY.** Unless otherwise stated herein, Company warrants that all Products shall be produced and tested in accordance with the specifications set forth on the face of the Order Confirmation for a period of twelve months from the date of shipment; provided, however, that with respect to any Products not manufactured by Company, Company shall only warrant such Products to the extent of, and consistent with, the original manufacturer's warranty. Claims pursuant to this warranty must be made within the time period specified above. If any of the Products does not meet the warranty stated above, during the warranty period, Customer shall promptly notify Company of such failure and Company shall, at its option, either repair or replace such non-conforming Products. Such repair or replacement performed by Company shall constitute the sole remedy of Customer. Notwithstanding anything to the contrary in this Section, Company shall not be responsible for any damages resulting from fair wear and tear, the negligence of Customer or the failure of Customer to operate the Products in accordance with the standards prescribed by Company or any other manufacturer of the Products or any federal, state or local law, rule or regulation. Company will not accept any invoices or charges for any work performed during the warranty period by others. The warranty shall terminate if Customer makes any unauthorized modifications to the Products or assigns any of its rights hereunder to any other party without first obtaining the written consent of Company. THE WARRANTY STATED IN THIS DOCUMENT IS CUSTOMER'S EXCLUSIVE WARRANTY FOR THE PRODUCTS. COMPANY SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY.

**6. REMEDIES UPON BREACH.** If Customer breaches this contract, Company shall be entitled, in addition to any other remedy at law or equity, to recover all costs and expenses incurred by Company in connection herewith, including, without limitation, Company's reasonable attorneys' fees, costs of labor applied to this contract, overhead, costs of any materials applied to or ordered for this contract, and any charges imposed on Company by its suppliers or subcontractors. If Company breaches this contract, Customer's exclusive remedy shall be to terminate this contract by written notice thereof to Company, and to receive a refund of the Order Confirmation amount, if previously paid, for any Products that has not been shipped or otherwise identified to this contract as of the date of such termination. Notwithstanding such termination of this contract, however, Customer shall immediately pay Company the Order Confirmation amount for any Products that has been so shipped or so identified to this contract, if not previously paid, and shall be entitled to receive such Products from Company upon Company's receipt of such payment.

**8. CANCELLATIONS.** Cancellation of this contract must be in writing signed by Customer and Company. Such cancellation will be deemed to occur on the date of the later party's signature of the notice of cancellation. Upon such cancellation, Customer agrees to pay Company immediately all costs and expenses incurred by Company in connection with this contract, including, without limitation, Company's reasonable attorneys' fees, costs of labor applied to this contract, overhead, costs of any materials applied to or ordered for this contract, and any charges imposed upon Company by its suppliers or subcontractors. Notwithstanding the foregoing, Company may cancel this

contract, thereby terminating all warranties hereunder, and suspend any further deliveries hereunder without any liability to Customer, and, if the Products has been delivered but not paid for, the price therefore shall become immediately due and payable despite any other agreement to the contrary, if: (i) any proceedings in bankruptcy, insolvency, receivership or liquidation are taken against Customer; (ii) Customer makes an assignment for the benefit of creditors or commits an act of bankruptcy or insolvency; (iii) the Products is seized under any legal process or confiscated; or (iv) Company in good faith believes that the ability of Customer to pay or perform any provision of this contract is impaired, or that the Products is in danger of being lost, or that any of the events mentioned above is about to occur.

**9. EXCUSE FOR NON-PERFORMANCE.** Company shall not be liable for damages of any kind, caused by delays in shipment, delivery, or any other nonperformance of this contract, directly or indirectly resulting from or contributed to by any circumstances beyond Company's control, including, without limitation, riots, wars or national emergencies, labor disputes of every kind however caused, embargoes, non delivery by suppliers, inability to obtain supplies through normal sources of supplies, delays of carriers or postal authorities, or governmental restrictions, prohibitions or diversions. The occurrence of any such circumstance shall operate to extend Company's time of performance hereunder for a period not less than the period of such delay. In the event of any such circumstance, Company may allocate its production and deliveries among its customers as it may decide in its sole discretion.

**10. LIMITATION ON DAMAGES; INDEMNITY.** Company's contractual liability for failure to fulfill its obligations under the warranty stated herein or any other liability under or in connection with the Products shall be limited to the amount of the purchase price of the Products. COMPANY SHALL NOT BE LIABLE IN TORT, INCLUDING LIABILITY IN NEGLIGENCE OR STRICT LIABILITY, AND SHALL HAVE NO LIABILITY AT ALL FOR INJURY TO PERSONS OR PROPERTY WITH RESPECT TO THE PRODUCTS OR COMPANY'S PERFORMANCE HEREUNDER. EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF THE FOLLOWING, COMPANY SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS AND REVENUES, LOSSES DUE TO DELAY IN SHIPMENT, FAILURE TO REALIZE EXPECTED SAVINGS, ANY CLAIM AGAINST CUSTOMER BY A THIRD PARTY, OR ANY OTHER COMMERCIAL OR ECONOMIC LOSSES OF ANY KIND. Customer agrees that on the demand of Company it shall hold harmless and indemnify Company from and against any liability, obligation, loss, damage, fees, fine, penalty, action, claim, judgment, settlement, proceeding, cost, expense and disbursement of any kind or nature whatsoever, including all reasonable attorney's fees, costs and expenses of defense, appeal, and settlement of any suits, actions or proceedings instituted against Company and all costs of investigation in connection therewith (hereinafter collectively referred to as "Liabilities") that may be imposed on, incurred by, or asserted against Company by a third party arising out of the transactions contemplated by the Order Confirmation. Notwithstanding the foregoing, Customer shall not be liable to Company for any portion of such Liabilities that resulted from Company's fraud, bad faith, or willful misconduct.

**11. GOVERNING LAW; ARBITRATION.** This contract shall be governed by the laws of the state of North Carolina, without reference to its conflict of laws provisions. Any controversy, claim or dispute arising out of or relating to this contract (including, without limitation, questions concerning whether a matter is required to be submitted to arbitration under this Section) shall be determined by binding arbitration; provided, however, that any party that wishes to institute arbitration proceedings must first notify in writing the other party of its intent to initiate such proceedings, and demand for arbitration may not be made until after the date twenty-one (21) days from the date such notice is sent. All arbitration proceedings between the parties hereto shall be administered by the office of the American Arbitration Association ("AAA") in Charlotte, North Carolina, and all hearings shall be held in Charlotte, North Carolina. All such arbitration proceedings shall be conducted in accordance with the commercial arbitration rules of the AAA in force as of the date demand for arbitration is made. The parties agree to abide and be bound by all decisions and awards rendered by the arbitrator. Judgment upon such decisions and awards may be entered in any court having jurisdiction.

**12. MISCELLANEOUS.** The terms and conditions stated herein constitute a contract between Customer and Company and constitute the complete and exclusive statement of the terms and conditions of the sale of the Products. There are no other promises, conditions, understandings, representations or warranties of any kind with respect to the subject matter hereof. This contract may be modified only by a writing signed by Company and Customer. The failure of Company to enforce any right hereunder will not be construed as a waiver of its right to performance in the future. Any provision of this contract which is, or is deemed to be, unenforceable in any jurisdiction shall be severable from this contract in that jurisdiction without in any way invalidating the remaining provisions of this contract, and that unenforceability shall not make that provision unenforceable in any other jurisdiction. The rights which accrue to Company by virtue of this contract shall inure to the benefit of its successors and assigns. All requests, instructions and notices from one party to the other must be in writing and may be given via certified mail or facsimile transmission to the address of the parties shown on the face of the Order Confirmation.

**13. RETURNS.** Any items purchased and returned, or not returned within the time allotted, Company reserves the right to charge the Customer a 25% restocking fee for the cost of evaluating the returned goods and re-shelving them to the appropriate destination. Items may only be returned by written return authorization from the Company. Should Company issue a return authorization, products will be inspected by Company at Company's location. Company may reject, at its sole discretion, returned items based upon this inspection. Transportation costs and risk of loss for returned items will be for Customer's account. A restocking fee of 25% is due for all items, whether accepted or rejected after inspection. Customer's replacement of returned items through other channels is at their own risk and does not relieve Customer of liability for the order value of this contract unless Company has had opportunity to cure said return and given written permission for Customer to replace returned items.