



CINCINNATI GEARING SYSTEMS, INC. TERMS AND CONDITIONS OF SALE

The following terms and conditions of sale apply to all quotations made and orders accepted by Cincinnati Gearing Systems, hereinafter referred to as "Seller". The Company ordering the goods and/or services is hereinafter referred to as "Buyer". The goods and/or services listed on this quotation or order are hereinafter referred to as "goods".

1. ACCEPTANCE

- 1.1. All orders are subject to acceptance by Seller in writing at Seller's principal executive offices in Cincinnati, Ohio, USA. Seller's acceptance of Buyer's order is expressly made conditional on Buyer's assent to the terms and conditions set forth herein. Buyer's placement of an order for the goods listed in this quotation shall constitute Buyer's assent to these terms and conditions. Buyer's acceptance of any goods covered by this quotation shall also constitute Buyer's assent to these terms and conditions. Seller objects to terms and conditions that are additional to or different from those that are a part of the Agreement, and no additional or different term will be part of the Agreement unless expressly made so in a writing signed by an authorized representative of Seller.
- 1.2. The preceding sentence excludes from the Agreement, among other things, (a) terms and conditions appearing on or referenced in Buyer's purchase order or other similar document, other than the specifics of the transaction (e.g., part number, quantity and price) that coincide with Seller's quotation, acknowledgement, invoice or separate written and signed sales, pricing, or similar agreement, (b) Buyer's standard terms and conditions of purchase, (c) Buyer's quality policy and other supplier policies, and (d) Buyer's web site or supplier e-commerce site, even though it may be necessary for Seller to click an "accept," "agree," or similar button on an electronic site as a means of accessing information about current or prospective orders or programs of supply.
- 1.3. These terms and conditions constitute the entire and exclusive statement of the agreement between the parties which may hereinafter be modified, altered or amended only by written instrument executed by the authorized representatives of both parties.

2. PRICE

- 2.1. No price quotation will remain effective for more than 30 days, unless the quotation expressly provides otherwise.
- 2.2. The quoted prices are Seller's current prices and apply only to the specified quantity and delivery schedule quoted. Unless otherwise noted, all prices are subject to change, without notice, at any time prior to Seller's acceptance of Buyer's order. Any increase in material costs to Seller will increase the price to the Buyer by the amount of such increase. Any variations in quantities specified and/or delivery may necessitate a revision of such prices. Unless otherwise stated, prices are quoted FOB: Cincinnati, Ohio Metropolitan Area.
- 2.3. The price does not include taxes, duties, fees, assessments or other charges imposed by any governmental authority on the manufacture, sale, purchase, delivery, transportation, storage, processing, use or consumption of any of the goods, export or import of the Products or performance of the Services, all of which will be the responsibility of and paid by Buyer or, if required to be paid by Seller, then reimbursed to Seller by Buyer. Such additional amounts may be invoiced separately from the invoice for the goods.

- 2.4. If the Buyer makes changes to the drawings, design, specifications, quantities, method of shipment, packaging, materials, time and place of delivery, and such changes cause an increase in the cost of or time required for the performance of this order, the Seller shall have the right to an equitable adjustment to the order price, delivery or both.
- 2.5. Seller may pass through to Buyer, and Buyer shall accept, any price increase imposed by a supplier or sub-vendor that Buyer requires Seller to use.
- 2.6. Except to the extent Buyer and Seller have otherwise explicitly agreed in a separate signed writing, Seller may at any time adjust prices based on or apply a surcharge reflecting changes to energy costs, material costs, labor costs and exchange rates.

3. PAYMENT TERMS

- 3.1. Payment is to be net in US Dollars. Payment terms are net thirty (30) days from the date of the Seller's invoice, unless otherwise agreed to by both parties. No cash discount is allowed.
- 3.2. Seller may, at any time or times, suspend performance of any order or modify the payment terms in response to Seller's reasonable doubts as to Buyer's creditworthiness, evidence of which could include a default under any of Buyer's major financing agreements, Buyer's inability to obtain financing, a reduction in Buyer's credit rating by a major rating agency or other grounds for insecurity that warrant such action. The changes Seller may make include shortening the payment period or requiring advance payment. Seller shall notify Buyer in writing of any such changes, and the changes may be made retroactive to include amounts then accrued but unpaid.
- 3.3. If Buyer fails to make a payment when due or if Seller reasonably deems itself to be insecure in respect of Buyer's ability to satisfy its payment obligations under the Agreement, Seller may, in addition to the actions described above, take one or more of the following actions: (a) cancel any outstanding orders, (b) withhold further deliveries of Products and performance of Services, and (c) declare all unpaid amounts for Products previously delivered and Services previously performed immediately due and payable. Buyer shall reimburse Seller for all costs of collection, including reasonable attorneys' fees, incurred as a result of Buyer's failure to make payments when due. The foregoing remedies are in addition to Seller's other rights and remedies under the Agreement and under applicable law, including Section 2-609 of the Uniform Commercial Code.

4. SELLER'S TOOLING AND SELLER'S DESIGNS

- 4.1. Seller is to be considered the owner of all tooling, designs, dies, patterns, and similar items acquired or constructed by Seller for Buyer, notwithstanding any charge therefore, which shall be and remain the property of the Seller and shall be in the possession and control of the Seller in connection with the goods, other than the Buyer Tooling (See Section 5). Buyer acquires no interest in the Seller Tooling, notwithstanding any charges, amortizations or other costs included in the pricing or otherwise paid by Buyer in relation to the Seller Tooling.
- 4.2. Seller may use the Seller Tooling without restriction in any of its business operations, including in the manufacture of service parts for the goods and the manufacture of goods for other customers. Seller may retain the Seller Tooling at the conclusion of the commercial relationship between Seller and Buyer with respect to the affected goods.

- 4.3. Seller reserves all rights to all intellectual property. Nothing in this agreement will function to transfer any of Seller's Intellectual Property rights to the Buyer. Seller alone shall own all right, title and interest, including all related Intellectual Property Rights, for all drawings, manufacturing processes, suggestions, ideas, enhancement requests, design improvements, feedback, recommendations or other information developed by Seller during this agreement. This Agreement is not a sale and does not convey to Buyer any rights of ownership in or related to the Intellectual Property Rights developed by Seller. Seller may use the Intellectual Property without restriction in any of its business operations, including in the manufacture of goods for other customers.
- 4.4. Seller is to be considered the owner of all Seller Engineering Designs, including but not limited to gears, gearboxes, power transmission systems, etc. developed by Seller for Buyer, notwithstanding any charge therefore. Buyer acquires no interest in Seller's Engineering Designs, notwithstanding any charges, amortizations or other costs included in the pricing or otherwise paid by Buyer in relation to the Seller' Engineering Designs. Seller may use the Seller Engineering Designs without restriction in any of its business operations, including in the manufacture of service parts for the goods and the manufacture of goods for other customers. Payments by Buyer **towards** Seller's Engineering Designs do not grant ownership of said designs. Buyer may be considered the owner of Seller's Engineering Designs that Buyer pays for as separate items on an order if Buyer and Seller **specifically agree in writing** that the Engineering Designs will be owned by Buyer.

5. **BUYER'S EQUIPMENT, MATERIALS, TOOLING AND DESIGNS**

- 5.1. Buyer is to be considered the owner of all tooling, dies and similar items (a) that Buyer owns and places in Seller's possession for the purpose of manufacturing the goods or (b) that Buyer pays for as separate items on an order if Buyer and Seller specifically agree in writing that the tooling, dies or similar items will be owned by Buyer ("Buyer Tooling"). Buyer is responsible for paying for any necessary replacements and repairs to the Buyer Tooling.
- 5.2. Seller assumes no obligation or liability with respect to the Buyer Tooling or any other property of Buyer to which Seller is not taking title, other than to exercise reasonable care. Seller is not obligated to segregate, label, protect, insure or take any other specific action with respect to managing and safeguarding Buyer Tooling or Buyer Property unless agreed to in writing. Buyer accepts all risk of loss and damage to the Buyer Tooling and Buyer Property, except for loss or damage caused exclusively by Seller's negligence, and Buyer waives all rights of subrogation for itself and its insurers with respect to any such loss and damage. Buyer hereby grants to Seller a security interest in the Buyer Tooling and Buyer Property to secure all amounts owed by Buyer to Seller. Buyer consents to Seller filing any documentation, including UCC financing statements, useful to perfecting the security interest.
- 5.3. Buyer shall provide suitable space, facilities, equipment and materials for any Services or other work to be performed by Seller at a location controlled by Buyer. The space, facilities and equipment must be suitable for the safe execution of the Services or other work.
- 5.4. If Buyer is to provide Seller with any equipment or other materials (including but not limited to patterns, castings, forgings, gear blanks, tooling and the like) relating to this order, such equipment and materials must be delivered to Seller within thirty (30) days of Seller's acceptance of this order. If Buyer fails to timely delivery such equipment and materials, Seller may, at its option, cancel, reschedule or adjust the price of the order as warranted by such delay. Such remedies shall be in addition to all of Seller's other remedies arising hereunder and at law or in equity.
- 5.5. Equipment and materials supplied by the Buyer shall be in a condition to make goods of the quality and quantity desired by the Buyer. Buyer shall be responsible for the conformity of Buyer's equipment and materials to the blueprints and/or design drawings for the ordered goods. Buyer shall clearly mark any such supplied equipment and materials as that of the Buyer and all charges and expenses of transporting such equipment and

materials to and from the Seller's facilities, or other designated place, shall be borne by the Buyer.

- 5.6. Seller shall have no responsibility or liability for the wear to, loss of or damage to Buyer's equipment and materials. Buyer shall remove Buyer's equipment and materials, if any, from Seller's facilities within ninety (90) days after completion of the Buyer's order. If not so removed, Seller may dispose or return such equipment and materials as Seller deems necessary without liability to the Buyer after thirty (30) days written notice to the Buyer at the Buyer's last known address.
- 5.7. Seller shall not be responsible to Buyer for any equipment and materials scrapped during the manufacturing process of the goods ordered. Buyer shall not be responsible to Seller for any labor or machining costs incurred by Seller on any such scrapped equipment and materials unless such equipment and materials are found to be defective and inappropriate for the manufacture of the ordered goods; at which time the Buyer shall be liable to Seller for labor and machining costs.

6. **SHIPMENTS / FORCE MAJEURE / RISK OF LOSS**

- 6.1. Indicated or "promised" Delivery Dates, Shipment Dates and Completion Dates are estimates and assume, among other things, timely receipt from Buyer and others of any necessary information, conforming raw materials, and tooling, any required advance payment and it is understood that it is approximate only and the time of performance will begin to run only upon Seller's acceptance of Buyer's order and receipt of all specifications, technical information and equipment to be provided by the Seller. Seller's failure to meet an indicated Delivery Date or Completion Date will not constitute a breach of the Agreement. Seller shall not be held accountable for late delivery caused by force majeure. Force Majeure shall mean an act of God (including without limitation, fire, flood, mud slide, earthquake, tornado, cyclone, hurricane, wind storm or any other similar extreme or unanticipated natural disaster beyond the reasonable control of the Seller or the Seller's suppliers), acts of the public enemy, acts of the local, state or federal government (valid or invalid) in either its sovereign or contractual capacity, acts or delays in acting on the part of the Buyer, epidemics, disease, plague, work stoppages or slowdowns, thefts, accidents, casualties, transportation delays or interruptions, quarantine restrictions, strikes, blockade, embargoes, riots, civil disorders, revolution, insurrection, mobilization, delays in obtaining permits or licensing, acts of foreign or domestic terrorism, explosion, labor or material shortages, unavailability or limited availability of electrical power, natural gas material or labor, a court or administrative injunction or order, major or critical equipment breakdown, in each case which could not have been avoided by the exercise of reasonable diligence. At no time shall an employee of the Seller be forced or required to travel internationally for any reason, including but not limited to current international political climate, geographic tensions, war, epidemic or social and political unrest. Such inability to travel shall be deemed to be a force majeure.
- 6.2. Seller shall exercise its reasonable best judgment in routing shipments unless detailed instructions are given. Unless otherwise provided in the Agreement, Seller may select the shipping method and carrier. Seller reserves the right to make shipments in installments and this contract shall be severable as to such installments. If shipments are delayed by Buyer, payments are due from the date when the Seller is prepared to make shipments. Goods held for Buyer are at Buyer's sole risk and expense. Seller shall not be liable for, and Buyer shall not assert against Seller or deduct from amounts owing to Seller, claims for delay, breakage, loss or damage occurring after Seller has satisfied its delivery obligations. Buyer shall instead make all claims for any such loss or damage directly to the transportation carrier or insurer, as appropriate.
- 6.3. The delivery term for goods is FOB: Cincinnati Metropolitan Area. The risk of loss of the goods shall pass to the Buyer upon delivery of the goods to a carrier at the Seller's facility. Risk of loss to goods and other items returned by Buyer will pass no earlier than Seller's receipt and will not pass at all if Seller did not expressly authorize the return.
- 6.4. Buyer is not entitled to reject or refuse to accept the goods unless they do not conform to the limited warranty provided in Section 7. Buyer shall, within 10 days following receipt of the

goods or services, as applicable, inspect the goods and notify Seller in writing of any nonconformity with the limited warranty, failing which Buyer will be deemed to have waived any nonconformity that was or could have been identified from such an inspection.

7. LIMITED WARRANTY AND LIABILITY

- 7.1. Buyer must notify Seller of any discrepancy in weight or number in writing within ten (10) days after Buyer's receipt of the goods from carrier. In the event the goods furnished hereunder are rejected or claimed to be defective or non-conforming, such claims must be made in writing within ten (10) days after Buyer's discovery of such defect or non-conformity and in no event later than twelve (12) months from the date of shipment from the Seller's facilities. Goods may not be returned for evaluation or credit until and unless Seller consents in writing to accept such goods. Goods returned without Seller's written consent will be credited upon Seller's evaluation of same.
- 7.2. Seller's liability and the liability of any affiliate of Seller on any claim of any kind for any loss or damage arising out of or connected with, or resulting from Buyer's order or from the performance thereof or from the manufacture, sale, delivery, resale, installation, inspection, repair, operation or use of any goods covered by this quotation shall in no case exceed the invoice price allocable to such good(s) which give rise to the claim.
- 7.3. In the event of any claims, suits or proceedings either directly or indirectly arising out of or connected with or resulting from Buyer's defective design or application of goods manufactured hereunder, Buyer shall defend any such suit or proceeding brought against Seller and its affiliates therewith and hold harmless and indemnify Seller and its affiliates against any and all damages and expenses including attorney's fees from such claims, suits or proceedings to damages or injuries.
- 7.4. Warranty shall be void and not be extended to any item which has been subject to any action inconsistent with the proper use and handling of the goods, including (a) improper handling, transportation, storage, adjustment, modification or repair (including any disassembly, reassembly, modification, addition, rework, repair or alteration in any manner made during the applicable warranty period by anyone other than Seller), (b) accident, misuse, neglect, ingestion of foreign object(s), abuse or improper use (including loading beyond the specified maximum, operation above specified rating or rated capacity, or operation at extreme conditions), and (c) improper selection, sizing, alignment, installation, lubrication, tensioning, protection or maintenance (d) replacement of parts not in accordance with instructions of the Seller, nor does it extend to any item which has been replaced by other than the Seller. The Buyer, upon request, shall furnish to the Seller reasonable evidence that the defect(s) arose from causes other than those contained above.
- 7.5. Field Service repair work for all warranted goods will be provided by Seller or Seller's Representative. However, if the work is determined by Seller to not meet the requirements of the terms of the warranty, all costs associated with the repair/field service of the goods, shall be the responsibility of the Buyer.
- 7.6. After the correction of a defect found to be under warranty, the Seller warrants that the corrected materials and/or workmanship will be free from further defect and will conform with the specification and other requirements of the contract for the remaining period of the original warranty following the completion of such repair or replacement.
- 7.7. THE FOREGOING LIMITED WARRANTY IS IN LIEU OF, AND SELLER DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING WARRANTIES OF DESIGN, PERFORMANCE OR PRODUCT LIFE, WARRANTIES OF COMPLIANCE WITH BUYER'S QUALITY MANUALS, QUALITY POLICIES, INSPECTION PROTOCOLS AND OTHER POLICIES AND REQUIREMENTS, AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8. STANDARD WARRANTY – CUT WORK ONLY

- 8.1. Where the Buyer furnishes equipment and/or material as described in Section 5, the Seller's warranty shall be for workmanship only for a period of twelve (12) months after shipment from Seller's facility. The Seller offers no express or implied warranty on any Buyer's design or design application.

9. OPEN GEARING WARRANTY

- 9.1. Where the Seller furnishes equipment and/or material in accordance with the Buyer's drawings and specifications, the Seller is responsible for rejected, defective or non-conforming goods only to the extent of repairing or replacing them, or allowing credit for the rejected, defective or non-conforming goods up to the invoice price of the individual item as noted in the agreement. This warranty applies to material and workmanship only for a period of twelve (12) months from the date of shipment from Seller's facility. Seller's warranty shall not be enlarged and no obligation or liability shall arise out of Seller's rendering of technical advice, facilities or services in connection with Buyer's order for goods furnished hereunder. The Seller offers no express or implied warranty on any Buyer's design or design application.

10. ENCLOSED DRIVES WARRANTY (MILITARY, MARINE, INDUSTRIAL, COMMERCIAL)

- 10.1 The Seller warrants, Seller provided design, material(s) and workmanship, for a period of twelve (12) months from the date of shipment from Seller's facility. The warranty provisions of this clause do not cover removal or alterations of any part of the unit or of bulkheads or other parts of the vessel/craft/unit in which the goods are installed, liability for loss, damage or injury to third parties, loss of revenue, combat damage or consequential (direct or indirect) damages. This warranty does not cover loss of vessel/craft/unit in which the goods are installed or loss of use of vessel/craft/unit.
- 10.2 Goods manufactured in accordance with the Buyer's design are warranted only for material and workmanship for a period of twelve (12) months from the date of shipment from Seller's facility.

11. EXTENDED WARRANTY

- 11.1. Warranty terms and periods for other than the standard twelve (12) months are subject to negotiation and mutual written agreement.

12. WARRANTY DISCLAIMER

- 12.1 The Seller offers no express or implied warranty of merchantability or of fitness for a particular purpose. Seller shall not be liable for direct, indirect, incidental or consequential losses, damages, cost or expenses, directly or indirectly arising from the sale, handling or use of the goods, or from any other cause relating thereto, and Seller's liability hereunder in any case is expressly limited to the invoice price allocable to such good(s) or service(s) which give rise to the claim whether such claims are based on contract, tort or otherwise including but not limited to breach of warranty, negligence or strict liability. Claims and/or penalties resulting from consequential damages are expressly rejected.
- 12.2 Any and all costs or expenses for containment, sorting, repair, replacement, cure, cover, amounts charged to Buyer, recall campaign, corrective action service, loss of profit, loss of service, loss of use, lost production, downtime, etc. are expressly rejected. Seller shall not be responsible for the costs or expenses arising from the installation, removal and/or reinstallation of the product or goods including, but not limited to ancillary / package support hardware affected in any way by the unit, removal or reinstallation, nor the manpower required to facilitate the removal and replacement thereof, for any reason.
- 12.3 The warranty shall be void if the goods fail, malfunction or are damaged as a result of any improper, incorrect or unauthorized handling, storage, installation, shipping, use, maintenance, removal, modification, disassembly and reassembly of the unit (for any reason), services or repairs that are performed to the goods without Seller's explicit written consent. The exception shall be the removal of inspection covers only.

13. SYSTEM RESPONSIBILITY / SYSTEM INTEGRATION

- 13.1. It shall be the Buyer's responsibility to ensure complete system integration with respect to any and all goods and/or services provided by Seller.

14. PATENTS, TRADEMARKS, COPYRIGHTS

- 14.1. All trademarks, brand names and corporate logos displayed on brochures or website are the property of Seller and may not be used in any way without prior written approval by Seller.
- 14.2 Buyer agrees to defend at its own expense, all suits and claims against the Seller or its affiliates for any alleged violation for infringement of any patent, trademark, copyright or any other proprietary or intellectual property right in any way accruing from Buyer's purchase and/or use or resale of the goods covered hereunder. Seller may, at its option and at Buyer's expense, be represented by and actively participate through its own counsel in any suit or proceedings. Buyer agrees to indemnify and hold Seller and its affiliates harmless from any loss, damage or expense of any kind whatsoever including costs and attorneys' fees arising from such alleged violation or infringement.

15. CANCELLATION

- 15.1. In the event that Buyer cancels, for any reason, its order after acceptance by Seller, Buyer shall be charged for any goods manufactured or in process prior to cancellation and all other labor, materials, overhead, general and administrative costs, restocking charges, surcharges levied on material by outside suppliers, sub-vendor cancellation charges, excess inventory charges, value of storage space, inventory tax charges, banking and finance charges, scrapping and disposal fees, and other harm, costs and charges incurred directly or indirectly by Seller in connection with a requested delay or cancellation of an order for the goods.

16. WAIVER

- 16.1. No waiver, discharge or renunciation of any claim or right of Seller arising out of breach of these terms and conditions by Buyer will be effective unless signed in writing by Seller and supported by consideration. Any waiver by Seller of any breach by Buyer will be a waiver of that breach only and not of any prior or subsequent breach.

17. ASSIGNMENT – DELEGATION

- 17.1. No right or interest herein shall be assigned, nor any obligation delegated, by Buyer without Seller's written permission.

18. EXCLUSIVE AGREEMENT

- 18.1. This agreement, and any documents referred to herein, supersede all prior understandings, transactions and communications whether oral or written, with respect to the matters referred to herein and from the complete contract between the Buyer and the Seller.

19. SETOFF

- 19.1. Payment for the goods will be subject to setoff or recoupment for any claims which Seller or any of its affiliated Companies may have against the Buyer.

20. SEVERABILITY

- 20.1. In the event that any provision of this agreement is held or declared unenforceable or void for any reason, all provisions hereof which can be affected without such voided provisions shall remain in full force and effect.

21. APPLICABLE LAW(S)

- 21.1. This contract and the obligations arising under this quotation and any resulting contract shall be governed by and construed according to the laws of the State of Ohio. The place of jurisdiction for all disputes under this contract shall be Cincinnati, Ohio.

22. AUTHORITY

- 22.1. Only an authorized representative of the Seller can accept an order, which acceptance must be in writing.

23. CONFIDENTIALITY AGREEMENT

- 23.1. During the quotation and/or contract periods, the Seller may disclose information and may give material or documents to the Buyer. In consideration of Seller's disclosure, the Buyer shall treat such disclosed information, material and documents as confidential and proprietary; shall not disclose or give such information, material or documents to a third party and shall disclose such information and provide such material and documents only to those employees of Buyer whose knowledge of the information or use of the material and documents is reasonably necessary. The Buyer shall maintain Seller's information, materials and documents in the same manner as it would Buyer's information, materials and documents. This agreement does not apply to any information known to Buyer prior to receipt of such information from Seller, nor does it apply to any information generally known to the public or relevant industry. The Buyer shall, upon request, return all such material and documents and any copies thereof.

24. PACKING

- 24.1. Unless otherwise specified, packing and packaging shall be to good commercial practice.

25. ADVERTISING

- 25.1. No news release, public announcement, denial or confirmation of same or any part of the subject matter of this order or any phase of this order shall be made without the prior written approval of the Seller.

26. EXPORT CONTROL

- 26.1. If this order is to be exported, the Buyer is responsible for all export costs.

27. Cincinnati Gearing Systems (CGS) Code of Conduct.

CGS complies with the principles and intent of the "Code of Conduct for Cincinnati Gearing Systems Suppliers and Third Party Intermediaries" below. We expect our Customers to follow the intent of these terms. If requested, Customer shall not more than once a year (at its option) provide to CGS either

(A) a written self-assessment in the form provided by Customer or

(B) a written report describing the actions taken or to be taken by Customer to assure compliance with the Code of Conduct. In addition to any other rights and remedies CGS may have, in the event of (i) Customer's material or repeated failure to comply with the Code of Conduct or (ii) Customer's denial of CGS' right of inspection as provided for in the paragraph of this Section, after providing Customer reasonable notice and a reasonable opportunity to remedy, CGS may terminate this Order without any liability whatsoever. Material failures include, but are not limited to, incidents of child labor, corruption and bribery, and failure to comply with environmental protection requirements. The notice and remedy provisions herein shall not apply to material failures set forth in the preceding sentence.

CINCINNATI GEARING SYSTEMS CODE OF CONDUCT

At Cincinnati Gearing Systems, Inc., we stand firmly behind the three core values that shape and guide us in our daily operations and relationships: Do What's Right, Respect Others, and Perform with Excellence. These simple yet essential values ensure that we conduct ourselves with the utmost integrity, delivering high quality products while following all applicable laws, regulations, and standards of business conduct, and avoiding even the appearance of impropriety. It's what our customers and shareholders expect. We are committed to meet those expectations, and we in turn trust that all of our Customers will honor the same values.

NON-DISCRIMINATION

We expect our Customers to provide equal employment opportunity to employees and applicants for employment without regard to race, ethnicity, religion, color, sex, national origin, age, military veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, or mental or physical

disability, so long as the essential functions of the job can be performed with or without reasonable accommodation.

CONFLICT MINERALS

We expect our Customers to take reasonable steps to avoid in their products the use of conflict minerals (tin, tantalum, gold, and tungsten); which directly or indirectly finance armed groups who violate human rights and if so, implement supply chain due diligence processes to identify sources of these minerals.

ENVIRONMENT

We expect our Customers to operate in a manner that actively manages risk, conserves natural resources, and minimizes environmental pollution in accordance with applicable statutory and international standards regarding environmental protection.

EMPLOYEE HEALTH AND SAFETY

We expect our Customers to comply with applicable safety and health laws, regulations, policies, and procedures and provide for the health, safety, and welfare of their people, visitors, and others who may be affected by their activities.

HARASSMENT

We expect our Customers to refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination; to prohibit behavior including gestures, language and physical contact, that is sexual, coercive, threatening, abusive, psychological or exploitative.

DRUG FREE WORKPLACE

We expect our Customers to maintain a workplace free from illegal drugs, alcohol and abuse of narcotic prescriptions.

LAWS, REGULATIONS AND CONTRACTS

Our Customers must, at a minimum, perform all duties and expectations in compliance with all laws and regulations applicable to their business. Customers must comply with all terms, conditions, and other provisions specified in our proposal. When performing international business, or if the primary place of business is outside of the United States, Customers must comply with local laws and regulations.

ANTI-CORRUPTION

We have a zero-tolerance policy for corruption, and prohibit anyone conducting business from offering or making any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes the offer and/or receipt of any bribe or kickback to and/or from any customer, supplier or others. Our policy specifically prohibits facilitating payments (payments made to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance), but allows personal safety payments where there is an imminent threat to health or safety. Our Customers must comply with the anti-corruption laws that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.

GIFTS/BUSINESS COURTESIES

We compete on the merits of our products and services and do not use the exchange of business courtesies to gain an unfair competitive advantage. We expect the same of our Customers in the offering or receipt of any gift or business courtesy, including cash and cash equivalents. In particular, note that our employees who are in any way involved in sales or procurement decisions are subject to even more strict limitations, and may not accept any business courtesies, with the exception of very low value promotional items. In any business relationship, our Customers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation; does not violate the rules and standards of the recipient's organization; is consistent with reasonable marketplace customs; and will not adversely impact the reputation of Cincinnati Gearing Systems, Inc.

CONFIDENTIAL/PROPRIETARY INFORMATION

Our Customers should take proper care to protect all sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purposes beyond the scope of the business arrangement with our company, without prior authorization.

FINANCIAL RESPONSIBILITY / ACCURATE RECORDS

We expect our Customers to accurately record, maintain, and report business documentation, including but not limited to, financial accounts, quality reports, time records, expense reports, resumes and submissions to the proper regulatory authorities.

HUMAN RIGHTS

We expect our Customers to treat people with respect and dignity, encourage diversity and diverse opinions, promote equal opportunity for all, and help create an inclusive and ethical culture.

HUMAN TRAFFICKING

We expect our Customers to not engage in the use of forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery, or trafficking of persons. This includes transporting, harboring, recruiting, transferring, or receiving vulnerable persons by means of threat, force, coercion, abduction, or fraud for the purpose of exploitation.

CHILD LABOR

We expect our Customers to ensure that child labor is not used in the performance of any work. The term "child" refers to any person under the minimum legal age for employment where the work is performed.

REPORTING

Employees of our Customers should have access to an adequate avenue of raising issues or concerns without fear of retaliation.

SUPPLIER DIVERSITY

As supply chain requirements vary by country, our Customers should be mindful that we often have supplier inclusion goals that may necessitate use of in-country supply channel providers both by us and our suppliers. These may additionally be defined as small business, small disadvantaged business, woman owned small business, HUBZone

certified business, veteran owned business, service disabled veteran owned small business, small/medium size business, or aboriginal business.

CODES OF CONDUCT & SUB-TIER SUPPLIERS

Commensurate with the size and nature of their business, we expect our Customers to have management systems in place to support compliance with laws, regulations, and expectations related to or addressed expressly within a Code of Conduct. We encourage our Customers to implement their own written code of conduct.

FAIR COMPETITION / ANTI-TRUST / INTELLECTUAL PROPERTY RIGHTS

We expect our Customers to conduct business in accordance with all applicable anti-trust or anti-competition laws and regulations. This includes avoiding business practices such as entry into arrangements that unlawfully restrain competition; improper exchange of competitive information; price fixing, bid rigging, or improper market allocation. This includes respecting and protecting the intellectual property rights of others.

CONFLICTS OF INTEREST

We expect our Customers to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with Cincinnati Gearing Systems, Inc. We expect our Customers to report to Cincinnati Gearing Systems, Inc., any situations of potential or apparent conflicts between their personal interests and the interests of Cincinnati Gearing Systems, Inc.

EXPORT/IMPORT CONTROL

We expect our Customers to ensure that their business practices are in accordance with all applicable laws and regulations governing the export and import of domestic and foreign origin parts and components and related technical data.