Electronic Data Interchange (EDI) Guidelines

Catalog EDICIC/USA
January 2000
EDI GUIDELINES

This manual has been prepared to show customers and technical personnel the path Parker Hannifin is following to implement EDI throughout our business systems. In addition, the manual discusses how customers may use EDI, what the benefits of EDI are, and how to get started.

Included in this book is an EDI overview, a brief technical overview for the EDI implementation staff, and an agreement with profile, which are explained in the text.
What is EDI?

EDI (Electronic Data Interchange) is the computer application-to-computer application communication of a standard business transaction in a standard data format. EDI users eliminate unnecessary paperwork by exchanging information directly between computers and between applications instead of by telephone, facsimile, or mail.

Previously, corporations used different computers and systems, and the data communicated among these computers had to be manually reformatted. Today, EDI uses computer network technology to provide data storage, translation, and transmission among business partners. These services, which are not limited by hardware or software differences, convert a sender’s speeds, codes, and document formats into forms compatible to the receiver.

The Parker Hannifin EDI Story

EDI was first implemented in the transportation industry to help eliminate the large amounts of paperwork created to move products and manage inventories. Before EDI, the industry had to manually trace shipping requests and instructions from manufacturers, distributors, and customers. It has since been proven to be more efficient and less costly for both customers and suppliers to exchange such data electronically. Other industries followed, and today EDI has widespread application and is a key part of worldwide electronic commerce.

As of 1995, Parker Hannifin has developed EDI trading partnerships with many customers, including equipment and automotive manufacturers like General Motors, Ford, Caterpillar Tractor Co., and Chrysler. In the Aerospace sector, Parker has developed a partnership with General Electric’s Aircraft Engine Group, as well as the Pratt and Whitney Group of United Technologies Corporation. Refrigeration industry customers include Lennox and Carrier, which is also part of United Technologies. Many distribution partners in our Fluid Connectors Group, Motion & Control Group, Filtration Group, and Seal Group distribution networks have joined our EDI family of trading partners.

Although many of these trading partnerships have incompatible data formats, Parker is able to link with them because of the national EDI standards developed by the American National Standard Institute’s Accredited Standards Committee X.12 (ANSI X.12). These standards provide a common language and format, and are supported by virtually all third-party networks and translation software distributors. Parker also belongs to the Automotive Industry Action Group (AIAG), the Aerospace Industries Association (AIA), and other trade associations that work to standardize and organize the collective efforts of various manufacturers and suppliers in the area of electronic data interchange.

Parker is especially well-poised to take advantage of EDI linkages because of its “Gateway Concept,” in which Parker’s internal communication network collects and distributes information to the customer from a single point. Conversely, customer transmitted information can be received at a single point and distributed to Parker divisions via the internal network. The Gateway provides a single highway among all Parker divisions and their customers, resulting in faster communication speed, added convenience to customers, and substantial cost savings for all parties involved.

Parker’s information strategy has evolved into a comprehensive hardware and software resource. We will continue to use our EDI resource as an electronic commerce tool to enhance our customer service commitment.
**Business Opportunities with EDI**

With the increasing emphasis on customer service, EDI provides the following benefits:

- Allows users to transmit standard and paperless business transactions electronically
- Increases accuracy and timeliness, resulting in faster and more efficient transaction processing
- Reduces transaction costs
- Reduces inventory and storage
- Helps solve delivery problems
- Adds a competitive advantage perspective, and may improve profits and market share by increased cash flow and enhanced planning
- Offers potential cost savings due to high industry regard for EDI

EDI is gaining as the preferred technology in receivables/invoicing and the totally paperless evaluated receipts settlement (ERS). The invoicing module is simply the creation of an electronic invoice following shipment of the goods, which streamlines paper saving and handling.

ERS goes even further in the payment of goods through electronic funds transfer. Upon recognizing the receipt of the material, the customer’s computer recognizes the obligation, and subsequently initiates a payment funds transfer (EFT) from its bank to the vendor’s bank for payment without involving an invoice.

Launching an electronic invoice at the same time as the product shipment creates an added benefit of advance shipment notification. The distribution customer has notice of in-transit material, and upon receipt may initiate normal invoice processing.

The future of EDI calls for more time-sensitive transactions, the elimination of edit problems or errors, and less human intervention in business processing functions.
**Value Added Networks**

Before information can be transmitted using EDI, data from the sender/user must first be translated into a standard format, and then communicated using the standard format to a receiver. This communication process takes place through either point-to-point connection or through a third-party communications service. Point-to-point connection is only practical in businesses that do not deal with multiple trading partners.

Third-party communication networks or Value Added Networks (VANS) eliminate the need for extra hardware, software, telephone connections, or manpower. Most trading partners find it convenient to use third-party networks. VANs are service bureau companies offering mailbox functions to trading partners, allowing them to receive and transmit their electronic transactions to multiple locations with minimal problems.

For instance, General Electric Information Services (GEIS) has a VAN called EDI*Express, which has a local access network to which a person can subscribe and receive a mailbox. Parker directly subscribes to several VANs, and all of these third-party service providers interconnect with virtually all other VANs.

(See page 15 for a list of VANs that Parker subscribes to.)

**The Role of Database Integration**

Now that we have discussed many of the elements in the structure of EDI, it is important that you have an understanding of the content found within the EDI application structure. In other words, the ANSI standards alone will not fully ensure acceptance of an electronic document; the data itself must be recognized by the divisional application system and be efficiently applied within that system structure.

What this means is that if the data transmitted within the ANSI format does not conform to the divisional application database, then additional manual processing would be required. Since this would defeat the purpose of EDI, it is mandatory that trading partners use identical data (exact part numbers, prices, etc.) within their EDI processing.

For Original Equipment Manufacturers (OEMs), part numbers and prices agreed to by trading partner divisions must be precisely reflected in the OEM database. In this way, the customer’s database and Parker’s divisional EDI processing will be tied together with common data content.
It is our strategy to fully implement EDI. Transactions that have been implemented within Parker divisions with various trading partners include:

<table>
<thead>
<tr>
<th>ANSITrans</th>
<th>EDIFACT Trans</th>
<th>Name</th>
<th>Send</th>
<th>Receive</th>
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<tbody>
<tr>
<td>152</td>
<td>*</td>
<td>Statistical Government Information</td>
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<tr>
<td>810</td>
<td>INVOIC</td>
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<td>820</td>
<td>REMADV</td>
<td>Remittance Advice</td>
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<td>824</td>
<td>APERAK</td>
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<td>830</td>
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<td>832</td>
<td>PRICAT</td>
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<td>836</td>
<td>*</td>
<td>Contract Award</td>
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<td>838</td>
<td>PARTIN</td>
<td>Trading Partner Profile</td>
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<td>840</td>
<td>REQQTE</td>
<td>Request For Quote</td>
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<td>841</td>
<td>QLSPEC</td>
<td>Tech Specifications</td>
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<td>Non conformance Report</td>
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<td>843</td>
<td>QUOTES</td>
<td>Response to RFQ</td>
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<tr>
<td>846</td>
<td>INVINVQ</td>
<td>Inventory Inquiry/Advice</td>
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<td>850</td>
<td>ORDERS</td>
<td>Purchase Order</td>
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<td>853</td>
<td>*</td>
<td>Carrier Routing</td>
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<td>855</td>
<td>ORDRSP</td>
<td>PO Acknowledgment</td>
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<td>856</td>
<td>DESADV or PRODEX</td>
<td>Advance Shipment Notification</td>
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<td>ORDCHG</td>
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<tr>
<td>861</td>
<td>RECADV</td>
<td>Receiving Advice</td>
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<tr>
<td>Implementation Schedule Strategy</td>
<td>Parker EDI Guidelines</td>
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<tr>
<td>862 DELJIT</td>
<td>Shipping Schedule SS</td>
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<td>863 QALITY</td>
<td>Quality Reporting RT</td>
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<td>867 PROTRA</td>
<td>Product Transfer and Resale Report PT</td>
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<td>869 OSTENQ</td>
<td>Order Status Inquiry RS</td>
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<tr>
<td>870 OSTRPT</td>
<td>Order Status Report RS</td>
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<tr>
<td>997 CONTRL</td>
<td>Functional Acknowledgment FA</td>
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</table>

**NOTE:** Not all transactions are applicable to all trading partnerships.
EDI COMMUNICATION GUIDELINES

Communication

- Parker uses a dial out capability only. Trading partners do not have the ability to dial into Parker’s mainframe computer.

- Therefore, Parker requires the use of a third-party network (VAN) service to provide store-and-forward capability and compliance checking (see page 6 for more information). A listing of Value Added Networks will be provided upon request.

Technical

- A micro, mini, or mainframe computer must be available to implement EDI.

- The computer must have communication capability; that is, you must have at least a business telephone line or the equivalent, as well as a modem.

- Parker communicates in a 3780 bi-synchronous protocol. The trading partners may use any protocol compatible with their selected third-party network.

- Each trading partner must have the ability to communicate data in the ANSI X.12 format. Internal use of the data is user-defined.

- Each trading partner should have sufficient error detection capability to ensure compliance within the ANSI X.12 format. Trading partners agree on specific field requirements within the ANSI format.

- Trading partners must also have problem resolution capability, including the ability to retransmit data if it is found to be erroneous or lost due to transmission problems.
Getting Started

If you are new to EDI:

Although we cannot provide EDI advice and counsel that is specifically tailored to your company, we can offer you the following limited assistance in starting an EDI program:

1. An explanation of EDI
2. An explanation of the transactions
3. A discussion on choosing a third-party network
4. A discussion on quantifying objectives and determining what to expect from EDI

If you have an active program:

If you have an established EDI program, there is very little preparation needed to begin trading with us once you have completed the Trading Partnership Agreement that follows page 16.

1. Advise us of your interest in becoming a trading partner and tell us which Parker divisions you wish to exchange information with.
2. Work with us to develop an implementation schedule.
3. Mutually define the functional and technical parameters under which we will trade, including your third-party network subscription.
4. Participate in a pilot program, including testing in a parallel transaction trading environment.
5. Upon completion of the EDI implementation process, when both partners are confident in their transaction trading capability, shut off the paper process.

Whether you are new to the world of electronic transactions or an established EDI user you must go through the steps explained in “Becoming an EDI Trading Partner with Parker Hannifin” on page 11.
**Becoming an EDI Trading Partner With Parker Hannifin**

1. Complete the Electronic Trading Agreement form in the back of this manual.

2. Complete the EDI Parker Partner Profile in the back of this manual.

Send the completed forms to:

- **Business Contact:** Richard Nering  
  EDI Technical Resources Manager  
  Parker Hannifin Corporation  
  6035 Parkland Blvd.  
  Cleveland, Ohio 44124-4141  
  (216) 896-2406

(Also refer technical questions to Rich Nering.)

If you have any questions concerning completion of the Agreement or the Profile, please feel free to call for assistance.

If there are any questions concerning the data submitted on the Profile, our EDI Administrative Specialist will telephone your EDI contact.
TECHNICAL GUIDELINES

Purpose

This section, a brief overview for your EDI implementation staff, contains the following material:

• General criteria that trading partners must adhere to for successful EDI transaction trading
• The Parker Communication Network and transaction addressing
• Comments on timeliness
• Final comments

General Comments

Parker’s EDI processing can be depicted as follows:

Over 50 Parker divisions use the EDI Gateway to manage hundreds of trading partnerships. Translation of ANSI X.12 formatted data by Parker Hannifin into and out of user-defined records is done by using Sterling Software Company’s Gentran EDI translation software. The version used at Parker was developed specifically for a mainframe computer running in the MVS operating environment.

The communications management software for Parker’s computer system, which includes EDI communications activity, is Universal Link’s U-LINK software package.
Parker’s EDI Gateway acts as a service bureau to individual divisions for EDI processing. In this way, we can offer expanded EDI expertise to our divisions and their trading partner suppliers.

**The Parker Communication Network**

Almost 10,000 terminals worldwide are linked within the Parker Communications Network to the various data centers. This network linkage allows enterprise-based systems like the EDI Gateway to reach all divisions. Another advantage is central control of VAN access and point-to-point communication management in one place for all divisions, regardless of location.

**EDI Addressing**

Transactions must be addressed within our EDI system in much the same way as when the transaction was manually executed.

*Each division has its own unique DUN's number and use the standard ANSI “01” qualifier.*

The following addressing information refers to the ISA and GS segments, and is offered as an example of Parker’s preferred addressing structure:

- ISA 01 + divisional DUN's number
  - GS divisional DUN's number

ISA05=Partner’s qualifier (ANSI standard)
ISA06=Partner DUN's number ID
ISA07=01 qualifier
ISA08=Divisional DUN's number

GS02=Partner's DUN's number/ID
GS03=Parker's divisional DUN's number

**Time-Sensitive EDI**

Parker subscribes to three public access VANs:

- GEIS (General Electric Co.)
- Commerce (Sterling Software Co.)
- Advantis (IBM)

Numerous interconnections (to GEIS) are in use, including with Harbinger, AT&T’s Easylink, and industry specific networks.
Mailboxes on the VANs are accessed several times a day, seven days a week for inbound traffic. Outbound documents, especially shipment notices, are launched several times per hour to meet customer requirements.

Timing of EDI transaction traffic management is transparent to customers who rate our EDI performance using their own criteria.

**Final Comments**

The scope of Parker’s EDI effort incorporates 50 separate trading partner divisions doing electronic business with our trading partner customers. There are over 1,400 trading partner linkages in place at Parker. Although one of our major information technology initiatives is to integrate EDI transaction activity into divisional operating systems, not all divisions are at the same level of development as others.

Management is fully committed to meeting our customers’ EDI initiatives and strengthening the Parker-customer relationship. The EDI Gateway staff is dedicated to customer service, so do not hesitate to call on us.
THIS ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT (the "Agreement") is made this ___ day of _______, 19__, by and between Parker-Hannifin Corporation, an Ohio corporation, with offices at 6035 Parkland Boulevard, Cleveland, Ohio 44124 (“Parker”) and ________________________________________ a ___________ corporation with offices at ___________________________________________ (“Buyer”).

RECITALS

WHEREAS, Parker and Buyer desire to facilitate purchase and sale transactions ("Transactions") by electronically transmitting and receiving data in agreed formats in substitution for conventional paper-based documents and to assure that such Transactions are not legally invalid or unenforceable as a result of the use of electronic technologies for the mutual benefit of the parties.

NOW THEREFORE, the parties, intending to be legally bound, agree as follows:

Section 1. Arrangements

1.1 Documents and Standards. Each party may electronically transmit to or receive from the other party any of the transaction sets listed in Appendix A, and transaction sets which the parties by written agreement add to Appendix A (collectively "Documents"). Any transmission of data which is not a Document shall have no force or effect between the parties unless justifiably relied upon by the receiving party. All Documents shall be transmitted in accordance with the standards and the published industry guidelines set forth in Appendix A.

1.2 Third Party Service Providers.
1.2.1. Documents will be transmitted electronically to each party either, as specified in Appendix A, directly or through a third party service provider ("Provider") with which Buyer may contract. Each party shall be responsible for the costs of any Provider with which it contracts. Buyer may modify its election to use, not use, or change a Provider upon thirty (30) days prior written notice.

1.2.2. Buyer shall be responsible for the costs of any Provider with which it contracts.
1.2.3. Buyer shall be liable for the acts or omissions of its Provider while transmitting, receiving, storing or handling Documents, or performing related activities, for such party; provided, that if both parties use the same Provider to effect the transmission and receipt of a Document, the originating party shall be liable for the acts or omissions of such Provider as to such Document.

1.3. System Operations. Each party, at its own expense, shall provide and maintain the equipment, software, services and testing necessary to effectively and reliably transmit and receive Documents.

1.4. Security Procedures. Buyer shall properly use those security procedures, if any, which are reasonably sufficient to ensure that all transmissions of Documents are authorized and to protect its business records and data from improper access.

Section 2. Transmissions

2.1 Proper Receipt. Documents shall not be deemed to have been properly received, and no Document shall give rise to any obligation, until accessible to the receiving party at such party's receipt computer at the location designated in Appendix A. In the case of transmissions to Parker, Documents must be accessible at Parker's computer at the Cleveland Headquarters.

2.2 Verification. Upon proper receipt of any Document, the receiving party may transmit a functional acknowledgment in return. A functional acknowledgment shall constitute conclusive evidence a Document has been properly received.

2.3 Garbled Transmissions. If any transmitted Document is received in an unintelligible or garbled form, the receiving party shall promptly notify the originating party (if identifiable from the received Document) in a reasonable manner. In the absence of such a notice, the originating party's records of the contents of such Document shall control.

Section 3. Transaction Terms.

3.1 Terms and Conditions. In the absence of any other written agreement made expressly applicable to any Transaction made pursuant to this Agreement, any Transaction and any related communication shall be subject to Parker's standard Terms and Conditions for Purchases, included in Appendix B.

The terms of this Agreement shall prevail in the event of any conflict with any other terms and conditions applicable to any Transaction.
3.2 **Confidentiality.** No information contained in any Document or otherwise exchanged between the parties shall be considered confidential, except to the extent provided by a separate written agreement of the parties.

3.3 **Validity and Enforceability**

3.3.1. This Agreement has been executed by the parties to evidence their mutual intent to create binding purchase and sale obligations pursuant to the electronic transmission and receipt of Documents specifying certain of the applicable terms.

3.3.2. Any Document properly transmitted pursuant to this Agreement shall be considered, in connection with any Transaction, any other written agreement described in Section 3.1, or this Agreement, to be a "writing" or "in writing"; and any such Document when containing, or to which there is affixed, an indicia indicating the originating party shall be deemed for all purposes (a) to have been "signed" and (b) to constitute an "original" when printed from electronic files or records established and maintained in the normal course of business.

3.3.3. The conduct of the parties pursuant to this Agreement, including the use of Documents properly transmitted pursuant to this Agreement, shall, for all legal purposes, evidence a course of dealing and a course of performance accepted by the parties in furtherance of this Agreement, any Transaction and any other written agreement described in Section 3.1.

3.3.4. The parties agree not to contest the validity or enforceability of Documents under the provisions of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be bound thereby. Documents, if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of Documents under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Documents were not originated or maintained in documentary form.

**Section 4. Miscellaneous**

4.1. **Termination.** This Agreement shall remain in effect until terminated by either party with not less than thirty (30) days prior written notice, which notice shall specify the effective date of termination; provided however, that any termination shall not affect the respective obligations or rights of the parties arising under any Documents or otherwise under this Agreement prior to the effective date of termination.
4.2. **Severability.** Any provision of this Agreement which is determined to be invalid or unenforceable will be ineffective to the extent of such determination without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such remaining provisions.

4.3. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio.

4.4. **Limitation of Damages.** Neither party shall be liable to the other for any special, incidental, exemplary or consequential damages arising from or as a result of any delay, omission or error in the electronic transmission or receipt of any Documents, or arising from goods delivered pursuant to any Transaction or any defects therein, even if either party has been advised of the possibility of such damages.

4.5. **Force Majeure.** Neither party shall be liable for any failure to perform its obligations in connection with any Transaction or any Document, where such failure results from any act of God or other cause beyond such party's reasonable control (including, without limitation, any mechanical, electronic or communications failure) which prevents such party from transmitting or receiving any Documents.

4.6. **Entire Agreement.** This Agreement and Appendix A and B hereto, constitute the complete agreement of the parties relating to the matters specified in this Agreement and supersede all prior representations or agreements, whether oral or written, with respect to such matters. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. No obligation to enter into any Transaction is to be implied from the execution or delivery of this Agreement. This Agreement is for the benefit of, and shall be binding upon, the parties and their respective successors and assigns.

Each party has caused this Agreement to be properly executed by its duly authorized representative on the date first written above.

**Seller**
Parker-Hannifin Corporation

By ________________________________  By ________________________________

(signature)  (signature)

Name

Title (printed or typed)  Title (printed or typed)
Appendix A Part I

Parker Hannifin Corporation EDI Trading Partner Profile

This profile must be completed to establish a trading partner relationship with Parker Hannifin.

**EDI supplier trading partners complete:**
The American National Standards Institute Accredited Standards Committee X12 (ANSI ASC X12) published EDI standards govern Parker Hannifin’s EDI transactions with trading partner suppliers.

Parker uses any ANSI ASC X12 document version 2000 - 4010 for supplier transaction traffic. We also support a certain number of EDIFACT transactions. Transaction ‘Guidelines’ covering Parker’s requirements for various EDI documents are available.

Parker is a direct subscriber to three Value Added Networks (VANs): General Electric’s GEIS, IBM’s Advantis, and Sterling Software’s Ordernet/Commerce.

Please indicate which of these Third Party Network providers you will use for Parker’s document traffic (please complete), or name the VAN through which you will interconnect _________________.

Use of the Functional Acknowledgement (transaction 997) is required. A 997 Functional Acknowledgement _________________ (will or will not) be generated for each transaction immediately upon establishing a trading partner relationship. If unable to use 997 acknowledgements immediately, indicate date when this capability will be available ________________.

**Customer Trading Partner Information:**

| Name: | __________________________________________________________________________ |
| Address: | __________________________________________________________________________ |
| City: | __________ State: __________ Zip Code: __________________________________________________________________________ |
| ID or DUNS Number: | __________________________________________________________________________ |
| Qualifier | ID or DUNS |
| Contact Name: | __________________________________________________________________________ |
| Title: | __________________________________________________________________________ |
| INTERNET | E-MAIL ID: __________________________________________________________________________ |
| Telephone: | __________________________________________________________________________ |
| Fax: | __________________________________________________________________________ |

**Your Parker Trading Partner Customer Division:**

| Division Name & Address: | __________________________________________________________________________ |
| ID/DUNS Number: | __________________________________________________________________________ |
| Qualifier: | __________________________________________________________________________ |

| Name: | __________________________________________________________________________ |
| INTERNET | E-MAIL ID: __________________________________________________________________________ |
| Phone Number: | __________________________________________________________________________ |
| Fax Number: | __________________________________________________________________________ |

Parker’s EDI Gateway: Phone #: 216-896-2406 Fax #: 216-896-4025

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### Appendix A - Part II
Please consider all of the following transactions in your electronic commerce planning. Suppliers have a requirement to receive electronic Purchase Orders (EDI ‘850’ transaction). Please circle any additional transactions you wish to consider at this time.

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<th>EDI Transaction Set Number</th>
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<th>Receive</th>
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<td>850</td>
<td>Purchase Order</td>
<td>S</td>
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<tr>
<td>810</td>
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<td>855</td>
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<td>997</td>
<td>Functional Acknowledgement</td>
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Any other documents/transactions under consideration?

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Appendix B
STANDARD TERMS OF SALE

1. Terms and Conditions of Sale: All descriptions, quotations, proposals, offers, acknowledgments, acceptances and sales of Seller’s products are subject to and shall be governed exclusively by the terms and conditions stated herein. Buyer’s acceptance of any offer to sell is limited to these terms and conditions. Any terms or conditions in addition to, or inconsistent with those stated herein, proposed by Buyer in any acceptance of an offer by Seller, are hereby objected to. No such additional, different or inconsistent terms and conditions shall become part of the contract between Buyer and Seller unless expressly accepted in writing by Seller.

Seller’s acceptance of any offer to purchase by Buyer is expressly conditional upon Buyer’s assent to all the terms and conditions stated herein, including any terms in addition to, or inconsistent with those contained in Buyer’s offer. Acceptance of Seller’s products shall in all events constitute such assent.

2. Payment: Payment shall be made by Buyer net 30 days from the date of delivery of the items purchased hereunder. Any claims by Buyer for omissions or shortages in a shipment shall be waived unless Seller receives notice thereof within 30 days after Buyer’s receipt of the shipment.

3. Delivery: Unless otherwise provided on the face hereof, delivery shall be F.O.B. Seller’s plant. Regardless of the method of delivery, however, risk of loss shall pass to Buyer upon Seller’s delivery to a carrier. Any delivery dates shown are approximate only and Seller shall have no liability for any delays in delivery.

4. Warranty: Seller warrants that the items sold hereunder shall be free from defects in material or workmanship for a period of 365 days from the date of shipment to Buyer, or 2,000 hours of use, whichever expires first.

This warranty comprises the sole and entire warranty pertaining to items provided hereunder. Seller makes no other warranty, guarantee, or representation of any kind whatsoever. All other warranties, including but not limited to, merchantability and fitness for purpose, whether express, implied, or arising by operation of law, trade usage, or course of dealing are hereby disclaimed. Notwithstanding the foregoing, there are no warranties whatsoever on items built or acquired wholly or partially, to Buyer’s designs or specifications.

5. Limitation Of Remedy: Seller’s liability arising from or in any way connected with the items sold or this contract shall be limited exclusively to repair or replacement of the items sold or refund of the purchase price paid by Buyer, at Seller’s sole option.

In no event shall Seller be liable for any incidental, consequential or special damages of any kind or nature whatsoever, including but not limited to lost profits arising from or in any way connected with this agreement or items sold hereunder, whether alleged to arise from breach of contract, express or implied warranty, or in tort, including without limitation, negligence, failure to warn or strict liability.

6. Changes, Reschedules and Cancellations: Buyer may request to modify the designs or specifications for the items sold hereunder as well as the quantities and delivery dates thereof, or may request to cancel all or part of this order, however, no such requested modification or cancellation shall become part of the contract between Buyer and Seller unless accepted by Seller in a written amendment to this Agreement. Acceptance of any such requested modification or cancellation shall be at Seller’s discretion, and shall be upon such terms and conditions as Seller may require.

7. Special Tooling: A tooling charge may be imposed for any special tooling, including without limitation, dies, fixtures, molds and patterns, acquired to manufacture items sold pursuant to this contract. Such special tooling shall be and remain Seller’s property notwithstanding payment of any charges by Buyer. In no event will Buyer acquire any interest in apparatus belonging to Seller which is utilized in the manufacture of the items sold hereunder, even if such apparatus has been specially converted or adapted for such manufacture and not withstanding any charges paid by Buyer. Unless otherwise agreed, Seller shall have the right to alter, discard or otherwise dispose of any special tooling or other property in its sole discretion at any time.

8. Buyer’s Property: Any designs, tools, patterns, materials, drawings, confidential information or equipment furnished by Buyer or any other items which become Buyer’s property, may be considered obsolete and may be destroyed by Seller after two (2) consecutive years have elapsed without Buyer placing an order for the items which are manufactured using such property. Seller shall not be responsible for any loss or damage to such property while it is in Seller’s possession or control.

9. Taxes: Unless otherwise indicated on the face hereof, all prices and charges are exclusive of excise, sales, use, property, occupational or like taxes which may be imposed by any taxing authority upon the manufacture, sale or delivery of the items sold hereunder. If any such taxes must be paid by Seller or if Seller is liable for the collection of such tax, the amount thereof shall be in addition to the amounts for the items sold. Buyer agrees to pay all such taxes or to reimburse Seller therefore upon receipt of its invoice. If Buyer claims exemption from any sales, use or other tax imposed by any taxing authority, Buyer shall save Seller harmless from and against any such tax, together with any interest or penalties thereon which may be assessed in the items are held to be taxable.

10. Indemnity For Infringement of Intellectual Property Rights: Seller shall have no liability for infringement of any patents, trademarks, copyrights, trade dress, trade secrets or similar rights except as provided in this Part 10. Seller will defend and indemnify Buyer against allegations of infringement of U.S. patents, U.S. trademarks, copyrights,
trade dress and trade secrets (hereinafter 'Intellectual Property Rights').

Seller will defend at its expense and will pay the cost of any settlement or damages awarded in an action brought against Buyer based on an allegation that an item sold pursuant to this contract infringes the Intellectual Property Rights of a third party. Seller’s obligation to defend and indemnify Buyer is contingent on Buyer notifying Seller within ten (10) days after Buyer becomes aware of such allegations of infringement, and Seller having sole control over the defense of any allegations or actions including all negotiations for settlement or compromise.

If an item sold hereunder is subject to a claim that it infringes the Intellectual Property Rights of a third party, Seller may, at its sole expense and option, procure for Buyer the right to continue using said item, replace or modify said item so as to make it noninfringing, or offer to accept return of said item and return the purchase price less a reasonable allowance for depreciation.

Notwithstanding the foregoing, Seller shall have no liability for claims of infringement based on information provided by Buyer, or directed to items delivered hereunder for which the designs are specified in whole or part by Buyer, or infringements resulting from the modification, combination or use in a system of any item sold hereunder. The foregoing provisions of this Part 10 shall constitute Seller’s sole and exclusive liability and Buyer’s sole and exclusive remedy for infringement of Intellectual Property Rights.

If a claim is based on information provided by Buyer or if the design for an item delivered hereunder is specified in whole or in part by Buyer, Buyer shall defend and indemnify Seller for all costs, expenses or judgments resulting from any claim that such item infringes any patent, trademark, copyright, trade dress, trade secret or any similar right.

11. Force Majeure: Seller does not assume the risk of and shall not be liable for delay or failure to perform any of Seller’s obligations by reason of circumstances beyond the reasonable control of Seller (hereinafter ‘Events of Force Majeure’). Events of Force Majeure shall include without limitation, accidents, acts of God, strikes or labor disputes, acts, laws, rules or regulations of any government or government agency, fires, floods, delays or failures in delivery of carriers or suppliers, shortages of materials and any other cause beyond Seller’s control.

12. Entire Agreement/Governing Law: The terms and conditions set forth herein, together with any amendments, modifications and any different terms or conditions expressly accepted by Seller in writing, shall constitute the entire Agreement concerning the items sold, and there are no oral or other representations or agreements which pertain thereto. This Agreement shall be governed in all respects by the law of the State of Ohio. No actions arising out of the sale of the items sold hereunder or this Agreement may be brought by either party more than two (2) years after the cause of action accrues.