

ACCURATE CASTING PURCHASE ORDER TERMS AND CONDITIONS

By acceptance of this PURCHASE ORDER, the Seller agrees to the following TERMS and CONDITIONS:

1. **ACCEPTANCE.** This order must be acknowledged immediately and such acknowledgement shall constitute an acceptance of all terms and conditions herein contained; provided however, in the absence of such acknowledgement, delivery of any part of the goods (such term throughout this order includes, without limitation, raw and processed materials, components, intermediate assemblies, end products and services) covered by this order, shall constitute an acceptance by the Seller of all the terms and conditions herein provided. None of the terms and conditions contained in this purchase order may be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of the Purchaser and delivered by the Purchaser to the Seller, notwithstanding any terms and conditions that may be contained in any acknowledgement, invoice or other form of Seller and Purchaser's act of accepting or paying for any shipment or similar act of the Seller.

2. **PURCHASER'S DESIGNS.** The Seller acknowledges that all drawings, specifications, designs, processes, reports, data and other technical or proprietary information furnished to the Seller hereunder are submitted confidentially and may be used only in connection with work done under this order. Delivery and disclosure thereof is solely upon condition that the same shall not otherwise be used, retained, copied or reproduced by the Seller, or the subject thereof be in any manner disclosed to anyone for any purpose. The Seller agrees to return immediately upon demand by the Purchaser all such drawings, specifications, etc. and copies and reprints thereof made by the Seller. The Seller shall not divulge any information or furnish any data with regard to this order, or any part of the subject matter thereof, unless otherwise required by law, without the prior written approval of the Purchaser.

3. **PRICE.** Seller agrees to execute and perform this purchase order at the prices last quoted or better, if less than the price noted on the face of this order and it is further agreed that if Seller at any time during the life of this order quotes or sells similar goods under similar conditions to any other customer at lower net prices than those stated herein such lower net prices shall from that time be substituted for the said prices herein stated; provided, however, that the prices are not in excess of the prices provided by applicable price regulation laws, order and regulation, and if any price may be in excess of such, Seller agrees to reduce the price by the amount of such excess. No additional charges whatsoever with respect to any goods furnished in connection with this order will be recognized and paid by the Purchaser unless they are approved in writing by the head of the Purchaser's purchasing department or an officer of the Purchaser and submitted to Purchaser in accordance with paragraph "15" hereof, as if said additional charges constitute a change in the terms and conditions of this order. Purchaser shall have the right at any time to request cost breakdowns in form satisfactory to the Purchaser on all items other than Seller's regular stock.

4. **PACKING AND SHIPPING.** All good shall be suitably packed, marked and shipped in accordance with the requirements of common carriers and in a manner which will (a) secure lowest transportation costs, (b) assure arrival in a safe and undamaged condition, (c) permit efficient continuing storage under normal conditions, and (d) comply with any notice of Purchaser's special storage requirements, and no additional charge shall be made to the Purchaser thereof or for drayage unless otherwise stated herein or agreed to in writing. Each container must be marked to show purchase order, work order, department, and plant number; and each shipment must be accompanied by an itemized packing slip, in the absence of which Purchaser's count shall be accepted as conclusive. Premium cost shipment for late deliveries will be at the expense of Seller. All expenses incurred by Seller's failure to furnish necessary shipping documents shall be charged to Seller. Deviation from shipping instructions given herein or pursuant hereto will be at Seller's risk.

5. **DELIVERY.** Deliveries are to be made both in quantities and at times specified in schedules included herein or schedules released or approved by the Purchaser. Purchaser shall not be liable for any goods provided by Seller in excess of such written schedules. It is Seller's responsibility to comply with Purchaser's delivery schedules but, unless otherwise agreed in writing, Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet such schedules. Purchaser may from time to time change delivery schedules or direct temporary suspension of scheduled shipments without additional charge therefor.

6. **INSPECTION.** All goods covered by this order shall be subject to inspection and test by Purchaser at any and all times and places designated by Purchaser, including the period and place of manufacture. If any inspection or test is made on Seller's premises, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of Purchaser's inspectors. The foregoing and any inspections pursuant thereto shall not relieve Seller of its obligation to make full and adequate test and inspection and to furnish goods which conform to the contractual requirements and are free from defects. All goods are also subject to final inspection and acceptance at Purchaser's plant notwithstanding any payment or other prior inspections. Such final inspection shall be made within a reasonable time after delivery.

7. **PAYMENT.** Due date of payment shall be computed from the date of receipt of correct invoice or conforming goods, whichever date is the latest. By paying Seller's invoice before arrival or complete inspection or testing of the goods at the Purchaser's plant, the Purchaser does not waive and hereby specifically reserves the right to make adjustment for any shortage in quantity for rejection. Any deliveries in excess of quantities ordered are returnable at Seller's risk and expense. Goods shipped to Purchaser in advance of schedule may be stored by Purchaser at Seller's expense or may be returned to Seller at Seller's expense, but if retained, invoices may be paid as of scheduled delivery dates. All invoices submitted in connection with this order shall contain the following certification: "We hereby certify that these good were produced in compliance with all the terms of the Purchase Order, including applicable requirements of the Fair Labor Standards Act, as amended, and of the regulations and orders of the United States Department of Labor issued thereunder".

8. **COMPLIANCE WITH LAW.** In the performance of the work and shipment of goods covered by this order, Seller agrees to comply (and to bear all expense required for compliance) with the Fair Labor Standards Act of 1938, as amended, and regulation thereunder, all applicable provision of the Walsh-Healy Act, the Buy American Act, the Occupational Safety and Health Act, The Equal Employment Act of 1972 and regulations thereunder, and all other applicable federal, state and local laws, rules, regulation and orders, and agrees to indemnify Purchaser against any loss, cost, liability or damage whatsoever, including attorney's fees, which may result from Seller's violation of this paragraph.

9. **WARRANTIES.** Seller expressly warrants that all goods covered by this order will conform to the specifications, drawings, samples or other description furnished or specified by the Purchaser, and will be merchantable, of good material and workmanship and free from defect, and that all such goods which are the product of Seller or which are in accordance with Seller's specifications will also be fit and sufficient for the purposes intended. Seller further agrees that this warranty shall survive inspection, test, acceptance of and payment for the good, that it will run to Purchaser its successors, assigns, customers and users of its products, and also agrees to save Purchaser harmless from any loss, damage or expense whatsoever, including attorney's fees, that may be suffered as a result of any breach of such warranty. The aforesaid express warranties shall be in addition to any warranties express or implied by law and any standard warranty or guarantee of Seller. Purchaser may, at its option, either returned for credit or refund or require prompt correction or replacement at locations designed by Purchaser of any rejected, defective, or nonconforming goods. Rejected, defective, or nonconforming goods shall not be corrected or replaced unless this options is specified by Purchasers' written order. Return to Seller of any rejected, defective, or nonconforming good and delivery to Purchaser of any corrected or replaced goods shall be at Seller's expense. Goods required to be corrected or replaced shall be subject to the provisions of this clause and the clause hereof entitled "Inspection" in the same manner and to the same extent as goods originally delivered under this order.

10. **PATENTS.** Seller covenants and guarantees that all goods furnished hereunder (and the normal use and sale thereof, including, without limitation, the manufacture, use and sale of products incorporating such goods), are free of infringement of any valid patent, copyright, or trade-mark, and that Seller will, at its own expense, defend and hold Purchaser harmless from any claims or suits alleging such infringement by Purchaser, its successors, assigns, customers or any persons selling or using any such goods or any product manufactured by Purchaser which may be claimed to involve any such alleged infringement.

11. **PRODUCTS, METHODS AND MANUFACTURING PROCESSES.** Any unpatented knowledge or information concerning Seller's products, methods or manufacturing processes which Seller shall have disclosed or may hereafter disclose to Purchaser incident to the placing and filing of this order shall, unless otherwise specifically agreed to in writing, be deemed to have been disclosed as a part of this consideration for this order, and Seller agrees not to assert any claim against Purchaser by reason of Purchaser's use or alleged use thereof and, if this order involves experimental, research or development work, Seller agrees to grant to Purchaser an irrevocable non-exclusive and royalty-free license to make, have made, use and sell any inventions resulting from the work under this order.

12. **MATERIALS FURNISHED BY PURCHASER.** Any materials furnished to Seller by Purchaser in connection with this order, will be deemed to be held by Seller upon consignment, unless otherwise agreed to in writing, and Seller agrees to pay for all such materials spoiled or damaged by Seller, or not otherwise satisfactorily accounted for. Purchaser shall determine the disposition (at Seller's expense) of all unused or scrap materials. Use of such materials by Seller shall constitute Seller's agreement that such materials are suitable for the purpose intended. Purchaser shall not be liable for any loss, damage, or expense resulting directly or indirectly from any delay in delivery or non-delivery of materials to be furnished by Purchaser or the delivery of such materials which are defective or not in conformity with the applicable specification.

13. **PURCHASER'S MATERIALS, TOOLS, DESIGNS, ETC.** All materials, tools, designs, dies, fixtures, drawings, specifications and other property, method or process, owned or paid for or agreed to be paid for by Purchaser, whether directly noted on the face of this order or included by Seller in unit prices of goods, shall be property of Purchaser subject to removal at any time without cause or expense to Purchaser; all such to be identified and marked by Seller as Purchaser's property, used only for Purchaser's order, treated as confidential material and covered by Seller at Seller's expense by adequate liability, damage and fire insurance for the replacement cost thereof. Seller shall assume all risk of loss or of damage to such property, maintain and repair the same and return or turn over the same to Purchaser in good condition, reasonable wear and tear excepted, upon the completion, cancellation or termination of this order, but Purchaser shall have the right to require delivery of any such property prior to completion of this order in final payment of purchase price. Seller is to provide Purchaser with inventories of all such property as Purchaser may request. Where any part or product is specifically manufactured or procured for the

purpose of this order, or whether of the design of Seller, Purchaser, or a third party, such part or product cannot be sold by the Seller to any third party without the Purchaser's written consent.

14. SPARE PARTS. The Seller, at its own expense, shall furnish to Purchaser, such engineering drawings, handbooks, operation and service manuals and other technical data as Purchaser shall reasonably request with respect to the goods purchased hereunder and the other items which could be used as spare parts for the goods sold to the Purchaser. Seller shall, for a period of seven years after delivery of all goods sold under this order, make available to Purchaser a complete line of spare parts for such goods unless otherwise agreed and noted on the face of this order.

15. CHANGES. (a) This order, and the terms and conditions herein, may not be changed in any respect without written authority of the Purchaser. (b) The Purchaser shall have the right by written order to make changes from time to time in the work to be performed by Seller hereunder, and Seller shall proceed diligently with the performance of this order as so changed irrespective of whether a price adjustment has been determined in accordance with the provisions of this clause. If such changes cause an increase or decrease in the amount due under the order or in the time required for its performance, an equitable adjustment shall be made in the prices and/ or the delivery schedule and the order shall be modified in writing accordingly. Subject to any delivery schedules effective at the time, adjustments in respect of quantity reductions shall be on a cost basis and in no event shall Purchaser have any liability for loss of anticipatory profits of either Seller or Seller's suppliers. In any event the maximum liability of the Purchaser for obsolescence, scrapage, and – or rework resulting from any change shall be limited to the materials and parts in process at the time of the change and then only to such materials and parts as are within the Seller's normal manufacturing cycle required to meet the Purchaser's delivery schedule. Purchaser shall have no liability hereunder for cost of obsolescence, scrapage, or rework of materials and parts which Seller has released for manufacture in advance of Seller's normal manufacturing process. Claims by Seller for adjustment under this clause, together with cost breakdowns in a form acceptable to Purchaser, must be made in writing in an amount stated within thirty (30) days from the date the change is ordered or within such further period as the Purchaser may allow in writing. Where the cost of property made obsolete or scrapped as a result of a change is included in Seller's claim, Purchaser may prescribe the manner of disposition thereof. Nothing in the clause shall excuse the Seller from proceeding with the work to be performed hereunder as changed, nor extend delivery schedules without written authorization by Purchaser.

16. TERMINATION. Purchaser may terminate work under this order in accordance with the provisions of the Subcontract Terminations Clause set forth in Section 8-706 of the Armed Services Procurement Regulation as in effect on the date hereof, which is hereby incorporated herein by reference, modified by deleting therefrom all reference to the Government if no Government contract number appears on the face of this order; provided, however, that the Purchaser shall not be obligated to pay or allow to the Seller any cost which are incurred in advance of the Seller's normal manufacturing cycle required to meet the Purchaser's delivery schedule.

17. INSOLVENCY AND DEFAULT. In the event of any proceedings by or against the Seller, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, of the property of the Seller, or in the event of breach of any of the terms hereof, including the warranties of the Seller, or in the event that Seller so fails to make progress as to endanger performance by Seller of this order in accordance with its terms, or the performance by Purchaser of any order of contract with any other party, the Purchaser shall be entitled forthwith to cancel the contract resulting from the acceptance of this purchase order without liability except for conforming deliveries previously made.

18. ASSIGNMENT. No assignment of any rights, including rights to sums due or to become due hereunder, or delegation of any duties under this order shall be binding upon Purchaser without its prior written consent.

19. TIME. It is agreed that time shall be of the essence of this order. If at any time Seller has reason to anticipate that deliveries will not be made as scheduled, written notice setting forth the cause of the delay shall immediately be forwarded to Purchaser. If Seller has failed to make any delivery (for any reason whatsoever, whether or not beyond Seller's control, except by fault of Purchaser) according to authorized delivery schedules of Purchaser, Purchaser shall have the right to cancel all or any portion of this order, without liability except for conforming deliveries previously made. Whether or not Purchaser elects to so terminate this order, Seller shall be liable for all losses, costs, damages and liabilities suffered or incurred by Purchaser as the result of Seller's failure to deliver on time, including, but not limited to, any liability, damage or penalty to which Purchaser may be subjected under any contract which provides for liquidating or stipulated damages.

20. TAXES. Seller agrees that, unless otherwise indicated in this order, (a) the prices herein do not include any state or local sales, use or other tax from which an exemption is available for purposes of this order, and (b) the prices herein include all other applicable federal, state, and local taxes in effect at the date of this order. Seller agrees to accept and use tax exemption certificates when supplied by Purchaser if acceptable to the taxing authorities in case it shall ever be determined that any tax included in the prices herein was not required to be paid by Seller, Seller agrees to notify Purchaser and to make prompt application for the refund thereof, to take all proper steps to procure the same and when received to pay the same to Purchaser.

21. INSURANCE. If this order provides for work to be performed by Seller on property owned or controlled by Purchaser, or on property of others named herein, Seller shall insure each of its employees engaged upon the work for the compensation provided for by, and shall strictly comply with, each and every statute applicable thereto with respect to Workmen's Compensation and Employers' Liability insurance and shall procure and maintain, at the cost and expense of Seller, until final acceptance of the work by Purchaser, Public Liability insurance in reputable and financially responsible insurance company, properly safeguarding Seller against liability for injuries to persons, including injuries resulting in death, in amounts acceptable to Purchaser, and shall furnish to Purchaser written certificates from insurance carriers or from appropriate governmental authorities establishing that said insurance of employees and said public liability insurance have been procured and are being properly maintained, and that the premiums therefore are paid, and specifying the names of the insurers and respective policy numbers and expiration dates. All such insurance policies shall provide (unless by statute applicable thereto it is otherwise provided) that in the event of cancellation thereof, written notice of such cancellation shall be given to Purchaser at least five (5) day prior to the effective date of such cancellation.

22. INDEMNITY. If Seller's work under this order involves operations by Seller outside of Seller's premises, Seller shall take all necessary precautions to prevent the occurrence of damage to persons or property during the progress of such work and shall indemnify Purchaser against all loss whatsoever, including attorney's fees, which may result in any way from any act of omission or commission on the part of Seller, its agents, employees or subcontractors, except to the extent that any such damage is due solely and directly to the negligence of Purchaser. The Seller will further indemnify and save harmless Purchaser, its officers, employees, agents and representatives from and against any and all demands of every nature and kind (including attorney's fees resulting therefrom) arising out of injury to or death of any subcontractor, employee, agent, representative or invitee of Seller of any subcontractor of Seller while in, on or near the premises of Purchaser, however such injury or death may be caused, whether caused or alleged to be caused by the negligence of Purchaser or its agents, the conditions of the premises or otherwise. The Purchaser after such demand may withhold from any amounts at any time payable to Seller under this purchase order such sum or sums and for such period or periods as Purchaser may deem necessary to protect Purchaser against possible loss or expense, including attorney's fees, from or in connection with any such demand.

23. SET-OFFS. Seller agrees that Purchaser shall have the right to set off against any amounts which may become payable by Purchaser to Seller under this order or otherwise, any amounts which Seller may owe to Purchaser, whether arising under this order or otherwise.

24. DISPUTES. Any dispute arising under this order which is not settled by agreement of the parties may be settled by appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or the settlement of any dispute arising under this order, Seller shall proceed diligently with the performance of this order in accordance with the decision and instructions of Purchaser.

25. EFFECT OF INVALIDITY. The invalidity in whole or in part of any provision hereof shall not affect the validity of any other provision.

26. PURCHASER APPROVALS AND REVIEWS. The review or approval by Purchaser of any work hereunder or of any designs, drawings, specifications or other documents prepared hereunder shall not relieve Seller of any of its obligations under this order nor excuse or constitute a waiver of any defects or nonconformities in any goods furnished under this order or change, modify or otherwise affect any of the provision of this order, including, but not limited to, the prices and delivery schedules contained herein.

27. REMEDIES. The remedies herein reserved shall be cumulative and in addition to any other or further remedies provided by law or equity. The failure of Purchaser to insist, in any one or more instance, upon the performance of any of the terms, covenants or conditions of this purchase order or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or conditions or the future exercise of such right, but the obligations of Seller with respect to such future performance shall continue in full force and effect.

28. OVERSHIPMENTS. Seller is to deliver under this order in the exact quantities specified. It is not Buyer's intention to pay for any overshipments and any overshipments received by Buyer shall be considered as being furnished gratis by Seller.

29. GOVERNMENT CONTRACTS SUPPLEMENT. If this purchase order is issued in connection with work for the Government under a prime or subcontract (which would be indicated on the face hereof), then the Purchaser's "Purchaser Order Supplement Applicable to United States Government Contracts and Sub-Contracts," F-2059, shall be applicable to the order herein and is hereby incorporated by reference as if fully set forth herein.

30. AFFIRMATIVE ACTION. The Parties hereby incorporate the following: **This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.** This contractor and subcontractor shall also abide by 29 CFR Part 471, Appendix A to Subpart A.