

## **TERMS AND CONDITIONS OF PURCHASE (12/2018)**

**T1 Price:** This purchase order shall not be satisfied at selling prices in excess of prices quoted by Seller and agreed to by Purchaser absent written notification and authority.

**T2 Extra Charges:** No charges of any kind including charges for boxing, packing, loading, bracing, fuel surcharges, additional cartage, etc., will be allowed unless specifically agreed to by Purchaser in writing.

**T3 Transportation:** Transportation charges on goods purchased shall be F.O.B. destination, freight collect, whenever possible. No insurance charges will be allowed unless authorized in writing by Purchaser.

**T4 Delivery Schedule:** Unless otherwise agreed to 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 Purchaser's delivery schedule. It is Seller's responsibility to comply with this schedule, but not to anticipate Purchaser's requirements. Goods shipped to Purchaser in advance of schedule may be returned at Seller's expense.

**T5 Indemnification:** Seller agrees to indemnify Buyer, his officers, agents, servants and employees against liability of any kind (Including costs and expenses incurred) for the use of any invention or discovery and for Infringement of any Letters Patent (not including liability arising pursuant to Section 183, U.S. Code, Title 35 (1952) prior to issuance of Letters Patent) occurring in the performance of this order or arising by reason of the use of, disposal by, or for the account of Buyer of items manufactured or supplied under this order.

**T6 Seller Non-Discrimination:** Seller will not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, national origin, handicapped or status as a disabled or Vietnam era veteran. This purchase order incorporates by reference the requirements of executive order 11246 as amended. The Vietnam era veterans' readjustment assistance act of 1974 as amended, the rehabilitation Act of 1973 as amended and all implementing regulations under those laws regarding equal opportunity in employment.

**T7 Non-Assignment:** Assignment of this order or any interest therein of any payment due or to become due there under, without the written consent of the Purchaser shall be void.

**T8 Subcontracting:** The Seller shall not subcontract or delegate performance of all or any substantial part of the work called for under this order without the written consent of the Purchaser.

**T9 OSHA Compliance:** Seller warrants that the product sold to the Buyer shall conform to latest OSHA standards. In the event Seller's product does not conform to OSHA standards, the Buyer may return the product for correction or replacement at the Seller's expense. In the event

the Seller fails to make the appropriate correction within a reasonable time, correction made by the Buyer will be at the Seller's expense.

**T10 Governing Law:** This agreement shall be governed and construed in accordance with the laws of the State of Missouri.

**T11 Discount:** The receipt date used as the basis for any applicable cash discount calculation is the date the material is received by the Purchaser.

**T12 Labor:** Upon acceptance of this order, seller warrants that all applicable provisions of the Fair Labor Standards Act as amended to date and all other applicable state and federal statutes and regulations are fully complied with in the production and sale of all goods covered by this purchase order.

**T13 Acknowledgement:** The Purchaser is not bound by any provisions, whether printed or otherwise, at variance with this purchase order that may appear on any acknowledgement form used by Seller.

**T14 Delays in Delivery:** Seller will not be held liable for any damages as a result of a delay in delivery due to causes beyond Seller's reasonable control and totally without Seller's fault or negligence. If, for any other reason, Seller does not comply with Purchaser's delivery schedule, Purchaser shall, in addition to remedies provided by law, either approve a revised delivery schedule, or may terminate the purchase order without liability to Seller on account thereof. If Purchaser requires a revised delivery schedule and directs the Seller to ship by an expedited method which is different than the original purchase order terms, Seller agrees to assume all additional transportation charges as a result of such direction.

**T15 Disclosure of Knowledge or Information:** Any knowledge or information which the Seller shall have disclosed or may hereafter disclose to the Purchaser in connection with a request for a quotation or the purchase of goods or the services covered by this order shall not, unless previously and specifically agreed upon in writing by the Purchaser be deemed to be confidential or proprietary information and shall be acquired free from any restrictions, other than a claim for patent infringement as part of the consideration for this order.

**T16 For Work On Purchaser's Or Its Customer's Premises:** If Seller's work under this purchase order involves operations by Seller on the premises of Purchaser or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Except to the extent that any such injury is due solely and directly to Purchaser's or Customer's negligence, as the case may be, Seller shall indemnify Purchaser against all loss, which may result in any way from any act or omission of the Seller, its agents, employees, or subcontractors. Seller shall maintain such Public Liability, Property Damage, and Employees' Liability and Compensation Insurance as will protect purchaser from said risks and from any claims under any Workmen's Compensation and Occupational Disease Act.

**T17 Termination:** If Seller ceases to conduct its operations in the normal course of business including but not limited to inability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency law is brought by or against the Seller, or a receiver for Seller is appointed or applied for or assignment for the benefit of creditors is made by Seller, Purchaser may terminate the order without liability except for deliveries previously made for goods covered by the order then completed and subsequently delivered in accordance with the items of the order.

**T18 Non-Waiver:** The failure of the Purchaser to enforce at anytime or for any period of time any of the provisions hereof shall not be construed to be a waiver of such provisions not of the right of Purchaser thereafter to enforce each and every such provision.

**T19 Cancellation:** The Purchaser may cancel this order at anytime upon written notice and payment of reasonable and proper cancellation charges, which will include a profit only on work performed to date of receipt of the notice of cancellation.

**T20 Agreement and Modification:** This order together with anything expressly incorporated herein by reference shall constitute the entire agreement between the parties and no obligations not therein expressly set forth are binding upon them. No waiver, alteration or modification of any of the provision hereof shall be binding unless in writing and signed by a duly authorized representative of the Purchaser.

**T21 Patent Indemnity - Purchase Orders:** The Seller shall defend any suit or proceeding brought against the Purchaser or its customers so far as based on a claim that any goods or any part thereof furnished under this order constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority. Information and assistance (at the Seller's expense) for the defense of the suit or proceeding, and the Seller shall pay all damages and costs awarded therein. In case the use of said goods or part is enjoined in such suit, the Seller shall at its own expense, and at its option, either procure for the Purchaser and its Customers the right to continue using said goods or part or replace the infringing item with a non-infringing equivalent or modify it so it becomes non-infringing or, upon showing inability to do any of the foregoing, shall remove said goods and refund the purchase price and the transportation and installation costs hereof. Except as stated in the foregoing, there shall be no liability of the Seller to the Purchaser or of the Purchaser to the Seller with respect to patent infringement involving said goods or any part thereof.

**T22 Inspection & Right of Access:** All goods to be delivered and services to be performed pursuant to this purchase order will be subject to quality inspection audit at all times and places by O'Fallon Casting LLC, and also by pertinent customer/government representatives, if this order is generated pursuant to a United States Government contract or sub tier contract. These same rights of entry shall apply to all O'Fallon Casting customers, for both Military and Commercial application. Seller will maintain a quality inspection procedure agreeable to O'Fallon Casting LLC and its customers covering the goods or services performed under this purchase order. Documentation of all production activities and quality inspection performed by seller shall be kept complete and made available to O'Fallon Casting LLC and its customers during the performance of this purchase order or for longer periods as may be specified by O'Fallon Casting and/or its customers.

**T23 Counterfit Parts and Materials** All parts and materials shall be procured only through Original Equipment Manufacturers (OEMs)/Original Component Manufacturers (OCMs) or their franchised dealer or distributors. The supplier shall verify the procurement source and associated certifying paperwork. Appropriate incoming inspection test methods shall be used to detect potential counterfeit parts and materials. The supplier shall flow this requirement down to all sub-tier suppliers to prevent the inadvertent use of counterfeit parts and materials. The supplier shall not use unapproved brokers (any company, person, or entity who is not an OEM/OCM or not an OEM/OCM authorized franchised dealer or distributor) for the purchase of components/materials/parts unless pre-approval has been granted by O'Fallon Casting.

**T24 Notification of Nonconformity:** The seller shall notify O'Fallon Casting within 24 hours of any nonconforming product or process relative to OFC's business being discovered. The seller agrees to perform all required correction activities as directed by OFC or its customers in a timely manner. The seller shall obtain approval before dispositioning nonconformities.

**T25 Change Control:** The seller agrees to obtain OFC approval before instituting any product or process change relative to OFC's business. This includes production methods, outside sources, location changes, etc.

**T26 Flow-down of Requirements:** The seller shall flow-down all applicable requirements to any sub-tier suppliers involved with OFC's products.

**T27 Quality Assurance Provision:** The seller agrees to perform work for OFC using stable processes with suitable quality assurance oversight, thus assuring only the best quality goods and services are provided. OFC is aware of the direct contribution this makes to product safety, product conformity, and business ethics affecting OFC's reputation. OFC shall provide feedback to the seller in regards to these matters on a regular basis.