



SUPPLEMENTAL TERMS AND CONDITIONS OF PURCHASE

600 Cannonball Lane
O'Fallon, MO 63366
Telephone (636) 272-6176; Fax (636) 272-6180

PART 1. CONTRACTOR'S & SUBCONTRACTOR'S LIABILITY

Contractor's and Subcontractor's Liability and Insurance Requirements:

- S1.1 General Liability:** O'Fallon Casting shall not be liable or responsible for any accident, loss, assault, battery, defamation, false arrest, false imprisonment, invasion of privacy, intentional or negligent infliction of emotional distress, bodily injury (including death), or damages happening or occurring during the term of the performance of the work to persons and/or property, and the Contractor or Subcontractor shall fully indemnify and protect O'Fallon Casting from and against the same. In addition to the liability imposed by law on the Contractor or Subcontractor for damage or injury (including death) to persons or property by reason of negligence by the Contractor, Subcontractor or his agent, which liability is not impaired or otherwise affected hereby, the Contractor or Subcontractor hereby assumes liability for and agrees to indemnify and shall hold O'Fallon Casting harmless for any and every expense, liability, or payment by reason of any damage or injury (including death) to persons or property suffered or claimed to have been suffered through any act or omission of the Contractor, any Subcontractor, or anyone directly or indirectly employed by either of them or arising in any way from the work called by this order.
- S1.2 Premiums:** All premiums on insurance policies, as required by O'Fallon Casting shall be paid by the Contractor or Subcontractor and shall be deemed included in any contract price, unless otherwise specified.
- S1.3 Insurance Requirements:** Contractor or subcontractor shall furnish O'Fallon Casting certificates of insurance which shall indicate the following:
- S1.3a Comprehensive General Liability Coverage:** Including premises operations, products and completed operations, and blanket contractual liability, \$100,000/\$300,000 bodily injury, \$100,000 - property damage (minimum).
- S1.3b Workmen's Compensation:** Workmen's Compensation and Employer's Liability Coverage in form and amount covering contractor or subcontractor's full liability under the "Workmen's Compensation Insurance and Safety Act" of the State of Missouri as

amended. Both Contractor and Subcontractor shall maintain similar policies of compensation insurance, and certify that all sub-tier Subcontractors have also complied with this clause.

- S1.4 **Notice of Cancellation or Modification:** All Certificates of Insurance must provide that the Contractor or Subcontractor's insurance carrier will provide O'Fallon Casting with written notice of any cancellation or modification of said coverage at least thirty (30) days prior to the effective date of said cancellation or modification.
- S1.5 **Hazardous Work:** If any work to be done involves the use of hazardous properties or entails blasting or is of a hazardous nature, then the Contractor or Subcontractor shall furnish evidence of coverage under S. C. U. (Explosion, Collapse, and Underground Hazards), in amounts as required by O'Fallon Casting.
- S1.6 **Taxes:** All applicable taxes, including but not limited to state sales and use taxes, must be included in seller's contract price unless otherwise requested by the Purchaser in writing.
- S1.7 **Contractor's Clauses:** The Contractor agrees that no lien shall be filed by anyone against the Company or its property for materials or labor or both furnished hereunder, and that before the final payment is made by the Company, the Contractor shall, if required by the Company, furnish a complete release satisfactory to the Company, signed by all persons furnishing materials or labor hereunder, waiving the right to file any lien.

The Contractor represents that, if required by the law of the State of Missouri, to have procured a license to do business and complied with all other necessary requirements before submitting his bid hereunder. The Contractor also represents that he had the opportunity and has carefully examined the work to be done and the site of the work and has the special qualifications for doing the work in accordance with the drawing and/or specifications and the terms of this order. The Contractor agrees to hold the Company harmless from any liability by the Contractor of any laws, regulations, ordinances, governmental restrictions or other applicable rules.

The Company and its representatives shall, at all times, have access to the work wherever it is in preparation or in progress, and the Contractor shall provide proper facilities for such access and for inspection. The failure of the Company to object to defective material or work shall not be deemed an acceptance thereof.

The Contractor shall not assign this order or any monies to become due hereunder without the prior written consent of the Company.

Except with the prior written consent of the Company, the Contractor shall not permit to enter upon the premises of the

Company at the site or work, any persons other than officers, employees, or representatives of the Company, the Contractor or his subcontractors. The Contractor shall not knowingly employ upon the premises of the Company, without the consent of the Company, any person who is a member of or associated with any organization designated by the United States Attorney General as having interests in conflict with those of the United States; or any person whose character is such that his presence on the Company's premises might obviously be detrimental to the Company's interest.

The Company shall have the right to bar or remove from his premises, any such individual after appropriate notice has been given to the Contractor.

The Contractor shall, at all times, keep the Purchasers property and the adjoining premises, driveways and streets clean of rubbish from and about the premises and all of his tools, equipment, temporary work and surplus materials and shall have the work clean and ready for use. If the Contractor does not attend to such cleaning immediately upon request, the Company may cause such cleaning to be done by others and charge the cost of the same to the Contractor.

The Contractor hereunder shall be an independent contractor, and the Company will have no right to exercise supervision as to the manner or method of doing the work.

PART 2 – Purchased Metal Clause

S2 The Heat/Melt number identification must be on each and every ingot. The ingot marking can be cast, mechanically stamped in the ingot, or marked using waterproof ink. Any metal received without this ingot identification will be rejected at Purchaser's receiving department and immediately returned to the supplier F.O.B. shipping point, freight collect.

One copy of the certificate of analysis for each lot of metal must be provided at time of delivery of the metal.

All metal elements present in the purchased material must be identified, unless they are to be considered "de minimus" by definition. The melting stock must be free of all harmful impurities and segregations, and when melted in good practice, shall produce investment castings free from all defects which can be related to melting stock.

The metal analysis of all incoming shipments is verified by either Purchaser's in-house inspection department, or by an independent

subcontracted laboratory. All metal that is found to be non-compliant to O'Fallon Casting purchase parameters, and not in conformance with the specifications provided for the metal by the supplier, will be immediately returned to the supplier FOB ship point, freight collect.

PART 3 – Hazardous Materials Clause

S3 Seller hereby certifies that any product which may be considered dangerous will be properly packaged, marked, and labeled in accordance with the Hazardous Material Transportation Act of 1974.

Vendor hereby warrants that each and every chemical substance sold or otherwise transferred by vendor to O'Fallon Casting, as of the time of such sale or transfer, that is required or permitted to be reported for the initial inventory of chemical substances (40 CFR part 710), has been reported either by the vendor or by others, or will be reported by vendor as a processor of the substance during the revised reporting period for the incorporation in the list of chemical substances compiled and published by the administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act (PL94-469).

PART 4 – Pricing

S4 The purchase price shall remain firm for the duration of this purchase order.

PART 5 – Workmanship and Warranty

S5 The workmanship and materials used throughout will be consistent with the best practices and standards of the particular industry. All vendor manufactured components shall be warranted to be free from defects of material or faulty workmanship for a period of one year from date of shipment. Such component parts will be replaced free of charge. Components supplied by vendor but made by others shall be new and covered by an equivalent warranty.

PART 6 – Equipment Purchase Clause

S6 Equipment will be provided with guards, interlocks, warning signs, emergency buttons, as required to meet the letter and intent of current OSHA regulations.

Two (2) complete installation instructions and maintenance manuals will be provided with the machine. In cases where site preparation is required the vendor will provide the instructions well in advance in order that the site and utilities will be ready when the equipment arrives.

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Manuals, Including Maintenance:

A minimum of two sets of operating instructions clearly describing the start up, operation, and shut down procedures will be provided.

A minimum of two sets of complete maintenance instructions, including schematics, wiring diagrams and fluid power diagrams will be provided. Maintenance instructions will include recommended preventive maintenance schedules

PART 7 – Lien Waiver

S7 The Contractor agrees that no lien shall be filed by anyone against the Company or his property for materials or labor or both furnished hereunder, and that before the final payment is made by the Company, the Contractor shall, if required by the Company.

PART 8 – Seller Agrees

S8 Seller hereby certifies that the product supplied under this order has not been significantly changed in composition or method of processing from the material previously supplied to buyer. Buyer's procurement of the ordered materials predicated upon product quality, and changes in the ordered material could result in rejection of the material and possible order cancellation if continual quality degradation is evident.

Vendor guarantees that the equipment supplied hereunder will be capable of the performance set forth in the specifications referred to herein, and agrees to make such changes, adjustments, or replacements as are necessary to meet the guarantee, at no cost to O'Fallon Casting.

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 any 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.

Seller agrees to adhere to the principles set forth in Executive Orders 11246, 11375, and 11598, and to undertake specifically: to maintain employment policies and practices that affirmatively promote equality of opportunity for minority-group persons and women; to take affirmative steps to hire and promote women and minority-group persons at all job levels and in all aspects of employment; with outside

recruiting services and the minority community at large; to provide the Government on request a breakdown of his labor force by ethnic group, sex, and job category, and to discuss with Buyer his policies and practices relating to his affirmative action program.

Seller warrants that the product sold to the Buyer shall conform to the standards promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act of 1970. In the event the 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.

PART 9 – Failure of Buyer

S9 Any failure by Buyer at any time, or from time to time to enforce or require the strict keeping and performance by Seller of any of the terms or conditions of this order shall not constitute a waiver by Buyer of a breach of any such terms or conditions and shall not affect or impair such terms or conditions in any way, or the right of Buyer at any time to avail himself of such remedies as he may have for any such breach or breaches of such terms or conditions.

PART 10 – Amend or Modify

S10 This purchase order, as the same may be amended or modified in writing, and any document referred to herein supersede all prior understandings, transactions and communications, or writings with respect to the matters referred to herein. When Seller has not expressly accepted this order, Seller, by commencing work hereunder, shall be deemed to have agreed to all the provisions hereof.

PART 11 - Equal Employment Opportunity

S11 Executive Order 11246, as amended, Section 402 of the Vietnam Era Veterans' Readjustment Act of 1974, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and Section 62-250.10 (VETS-100 Reporting) and Public Law 95-507 contain required contract clauses relative to equal employment opportunity and are incorporated herein by specific reference.

PART 12 – Record Retention

S12 Retain product records per AS9100D Section 7.4.2 and/or any additional requirements as stated on the purchase order.