

1. Acceptance:

- (a) This purchase order becomes the exclusive agreement between the parties for the goods or services subject to the terms and conditions herein. Any of the following constitutes Seller's acceptance of this purchase order: (i) acknowledgment of this purchase order; (ii) furnishing of any goods under this purchase order; (iii) acceptance of any payment for the goods or services; or (iv) commencement of performance under this purchase order.
 - (b) An acknowledgment of this purchase order containing any additional or different terms from those contained herein constitutes an acceptance by Seller upon the terms contained in this purchase order even if Seller's acceptance is expressly made conditional on Purchaser's assent to the additional or different terms. Any such additional or different terms, whether or not such terms materially alter this purchase order, shall be deemed objected to by Purchaser without need of further notice of objection.
2. **Payment and Invoicing:** The purchase order number and marks must be plainly shown on invoices, shipping papers, containers and contract required documentation. Packing slips must accompany each shipment. Charges for freight must be accompanied by a paid receipt. Valid invoices for conforming goods will be paid in accordance with terms and conditions of this purchase order. Purchaser retains the right to withhold payment for nonconforming goods or incomplete documentation.
 3. **Prices:** Unless otherwise agreed in writing by Purchaser, the price specified on the front of this purchase order includes all charges for packing, cartage, storage and transportation to the specified destination. The Price on this Order is based on labour rates and material costs prevailing at the date of ordering. Any increases due to material costs, or labour rates incurred by reason of any order or determination made by an industrial Tribunal which may become effective subsequent to this date, may only be accepted upon production of documentary evidence or after negotiation with the Purchaser and agreement in writing. (Such increases must be presented thirty days prior to required effective date.) Increases arising from variations in material costs or labour rates occurring after the due date for delivery will not be accepted. No extra work involved against any order or contract will be paid for by the Purchaser unless the extra work is approved by the Purchaser in writing before such work is commenced. Extras for such additional work must be shown as separate items when invoicing.
 4. **Delivery:** Time is of the essence for all goods, services or documentation to be delivered hereunder. Terms of delivery are binding and cannot be extended unless conditions of Force Majeure arise, or unless Seller has received a formal revision of the purchase order. In case of delay, Purchaser has the option to accept or refuse the order, and Seller shall be liable for any and all damages suffered by Purchaser resulting from such delay. If deliveries are so far behind schedule that delivery by air or express is required, all extra charges will be paid by Seller. Containers will be returned only at Seller's specific request and at Seller's expense. As used herein, the term "Delivery" means the supply of all material and/or equipment and/or services complete with all required documentation including test certificates if applicable. Should conditions of Force Majeure arise within the agreed delivery terms, the delivery dates can be postponed though Purchaser still retains the right to terminate the purchase order in accordance with Section 14 "Termination." Causes of Force Majeure are considered acts of God, wars, hostilities or other unforeseeable causes beyond the control of the Seller and not due to Seller's fault or negligence. Seller must notify Purchaser immediately of the beginning and ending of such conditions.
 5. **Packing:** Packing slips must be enclosed with each shipment. All articles shall be suitably packed or otherwise prepared for shipment so as to secure the lowest transport and insurance rates and in accordance with carrier's requirements. The Purchaser is not responsible for containers or other packing material, the property of the Seller, for which the Seller makes a charge if not returned, unless returnable articles are shown on packing slips and invoices.
 6. **Warranty:** Seller expressly warrants that all goods sold or manufactured by it hereunder: (a) are free from defects in design, workmanship and materials; (b) conform strictly to the specifications, drawings, approved samples or other description furnished or specified by Purchaser; and (c) are fit and sufficient for use and purpose intended. All warranties shall survive

- inspection, test, acceptance and payment by Purchaser and shall run to Purchaser, its successors, assigns, customers and the users of its products. Purchaser may, at its option, either return for credit or require prompt correction or replacement of any defective or nonconforming article or part thereof. Any return shall be at Seller's expense.
- Seller agrees that notice of a nonconforming tender is not required and that purchaser may repair or replace goods or documentation at Seller's expense.
7. **Inspection Test and Acceptance:** Access to Seller's facilities and those of its subcontractors shall be granted to Purchaser, its representatives and its customers. Material, workmanship and tests will be subject to Purchaser's inspection at its discretion. Purchaser reserves the right to reject and return or hold at Seller's expense subject to Seller's disposal all goods not conforming to drawings and/or specifications and/or samples as required under the terms of this purchase order. If any goods fabricated by Seller from material furnished by Purchaser are rejected by Purchaser due to Seller's fault, Seller shall pay Purchaser the replacement cost of the material used therein. Goods returned to Seller for rework will be charged back or debited to Seller at full purchase order price. Upon completion of rework and redelivery to Purchaser, Seller shall re-invoice Purchaser at full purchase order price. Goods rejected and not reworkable or which cannot be reworked in sufficient time may be charged back or debited to Seller at full purchase order price plus price of material or work in process supplied to Seller. Rejected goods shall be replaced by Seller at Purchaser's option. Where witnessing of any test is specified, Seller shall give five (5) days advance notice to Purchaser. Acceptance by Purchaser's representatives of any goods, test or documentation is conditional upon final acceptance by Purchaser's customer (if applicable). If required by quality assurance provisions on the front of this purchase order, Seller will provide and maintain as a part of the scope of this purchase order a quality system acceptable to Purchaser.
 8. **Test Certificates:** Non-supply of test certification when called for on the order will deem this Order incomplete and no payment will be considered until the certification is received and accepted by the Purchaser.
 9. **Specification:** The specification, if any, shall be deemed to be part of these terms and conditions.
 10. **Castings:** Castings shall be sound and clean, free from porosity and all other defects true to shape and dimensions, properly dressed and fettled.
 11. **Patents:** Seller warrants that the products hereby ordered, or the sale or use thereof, will not infringe any U.S. or foreign letters patent. Seller agrees upon notice to defend, protect and save harmless Purchaser, its successors, assigns, customers and users of its products, against all suits at law and in equity, and from all legal expenses, damages, claims and demands for actual or alleged infringement of any patent by reason of the sale or use of the product. If the use or sale of such product is enjoined as a result of any proceeding, Seller at no expense to Purchaser shall obtain for Purchaser and its customers the right to use and sell such product or shall substitute an equivalent product acceptable to Purchaser and extend this patent indemnity with respect to such equivalent product. In the event that Seller is unable to secure such right of use or to secure an equivalent product as a substitute, Seller will indemnify Purchaser and its customer from any and all losses or damages sustained by reason of such injunction.
 12. **Proprietary Data and Equipment:** Patterns, drawings or other data, designs, tools, jigs, dies or equipment furnished by Purchaser or provided by Seller to Purchaser's account shall remain Purchaser's sole property, and such items or any copies, articles or parts therefrom will not be furnished to others without Purchaser's written consent. Seller agrees to use and store such articles in a proper manner and, if damaged or lost, to repair or replace them prior to their return to Purchaser. Seller shall only use the information or data supplied by Purchaser to accomplish work covered by this purchase order and for no other purpose. Upon completion of this purchase order, all Purchaser information or data shall be returned to Purchaser without written request. Failure of Purchaser to recognize that such information or data has not been returned shall not waive Purchaser's right to this data or pursue recourse for Seller's breach of this provision.
 13. **Purchaser's Right to Use Information Disclosed by Seller:** Purchaser shall have the right to use for any purpose unpatented information concerning Seller's products, manufacturing methods or processes which

- Seller shall disclose to Purchaser during the performance of this purchase order if such information is disclosed without restriction on further disclosure or use.
14. **Liability:** Seller shall defend and save Purchaser harmless from all liability and expense for loss or damage to property and for injury or death of persons arising out of or in any way relating to the performance of this purchase order by Seller, except for any liability or expense for such loss or damage to property or injury or death of persons arising out of or in any way relating to the gross negligence or willful misconduct of Purchaser.
 15. **Quantity:** No quantity greater or smaller than the quantity specified on the front of this purchase order or in release orders will be accepted unless otherwise agreed in writing by Purchaser. Purchaser may return any shipment not in accordance with the above at Seller's expense, which shall include transportation both ways.
 16. **Termination:** This purchase order is subject to cancellation in whole or in part at the option of Purchaser at any time before the completion. Immediately upon notice of cancellation, Seller shall cease all work and shall take all possible steps to cancel all orders Seller may have placed for the purchase of materials and supplies to fulfill this purchase order. Except in the case of the Seller's inability to fulfill this purchase order, Purchaser agrees to compensate Seller for actual incurred cost as, determined by accepted accounting procedures, of such finished goods, work in process and raw materials that are useful solely in the manufacture of the goods covered by this purchase order. The aforementioned goods, if paid for by Purchaser, shall thereupon become Purchaser's property, and Seller shall deliver same in accordance with Purchaser's instructions.
 17. **Bankruptcy:** Purchaser may terminate this purchase order for default, in whole or in part, by written notice to Seller if Seller becomes insolvent or makes a general assignment for the benefit of creditors or a petition under any bankruptcy act or similar statute is filed by or against Seller and is not vacated within ten (10) days of filing.
 18. **Change:** Purchaser, at any time by written notice and without notice to sureties and/or assignees, may make changes within the scope of this purchase order in: (a) drawings, designs or specifications; (b) method of shipment and packaging; (c) place of delivery, or (d) quantity of articles, including full termination at Purchaser's convenience. If any such changes cause an increase or decrease in the cost of, or the time required for performance of this purchase order, an equitable adjustment may be requested by Purchaser or Seller in the price and/or delivery schedule. No request by Seller for adjustment will be valid unless submitted to Purchaser in a form acceptable to Purchaser within twenty (20) days from the date of such change. Seller agrees that its failure to submit such claim or claims within the applicable time period will constitute a waiver thereof unless Seller requests in writing, prior to expiration of the applicable time period, an extension for making its claim and such extension is granted by Purchaser in writing. No such adjustment shall be allowed unless authorized by Purchaser by means of a purchase order revision.
 19. **Assignment and Subcontracting:** This purchase order or any interest hereunder shall not be assigned or transferred (including any assignment or transfer by operation of law or otherwise) by Seller without the prior written consent of Purchaser. Such assignment shall not limit Purchaser's right to make changes in this purchase order, nor shall the Purchaser be obligated to advise any assignee of any changes or termination. Seller shall not subcontract the furnishing of any of the complete or substantially complete items required by this purchase order without the prior written approval of Purchaser.
 20. **Title and Risk of Loss:** Unless otherwise specified, title to and risk of loss of or damage to conforming contract products shall pass to Purchaser upon final acceptance or delivery at destination, whichever occurs later. Notwithstanding the preceding provisions of this paragraph, title to, and risk of loss of or damage to contract products which so fail to conform to the purchase order as to give Purchaser a right of rejection shall remain with Seller until cure or final acceptance.
 21. **No Waiver of Conditions:** Purchaser's failure to insist upon strict compliance and performance by Seller of the terms and conditions of this purchase order shall not be deemed a waiver of any other right or default. Any waiver of a right or default under this purchase order shall not be deemed a waiver of any other right or any other default under this purchase order.