

Metric Manufacturing Company Purchase Order Terms and Conditions

BY ACCEPTING THIS PURCHASE ORDER AND/OR COMMENCING PERFORMANCE HEREUNDER, THE SELLER OF ANY PRODUCTS OR SERVICES PURCHASED HEREUNDER (THE "SELLER") AGREES TO COMPLY WITH THE TERMS AND CONDITIONS SET FORTH IN THIS DOCUMENT AND IN ANY DOCUMENT OR AGREEMENT INTO WHICH THESE TERMS AND CONDITIONS ARE INCORPORATED. ACCEPTANCE OF THIS PURCHASE ORDER IS EXPRESSLY LIMITED TO THESE TERMS AND CONDITIONS AND NONE OF THE SELLER'S TERMS AND CONDITIONS GIVEN IN ACKNOWLEDGING THIS ORDER OR IN ACCEPTING THIS ORDER SHALL APPLY.

ACCEPTANCE OF THE GOODS, SERVICES OR WORK DELIVERED UNDER THIS PURCHASE ORDER BY METRIC MANUFACTURING INC. (OR, IF AN AFFILIATE OF METRIC MANUFACTURING INC. IS THE CONTRACTING PARTY TO WHICH THESE TERMS AND CONDITIONS ARE INCORPORATED, BY SUCH AFFILIATE ("METRIC")), SHALL NOT CONSTITUTE AGREEMENT TO BE BOUND BY SELLER'S TERMS OR CONDITIONS, WHICH MAY ONLY BE ACCEPTED IN WRITING. SELLER SHALL NOT SHIP UNDER RESERVATION.

1. **Modifications** Changes, modifications, waivers, additions or amendments to these terms and conditions shall be binding on METRIC only if such changes, modifications, waivers, additions, or amendments are in writing and signed by a duly authorized representative of METRIC.

2. **Applicable Law** The validity, interpretation, and performance of these terms and conditions and any purchase made hereunder shall be governed by the laws of the state from which the order is issued, in force at the date of this order for contracts made and to be performed in such state. Where not modified by the terms hereof, the provisions of such state's enactment of Article 2 of the Uniform Commercial Code shall apply to the transaction.

3. **Compliance with Law** Seller agrees that at all times it will comply with all applicable federal, state, municipal and local laws, orders and regulations, including but not limited to those affecting or limiting prices, production, purchase, sale, and use of material. If requested by METRIC, Seller agrees to timely certify compliance with such laws in such forms as METRIC may request.

4. **Release of Information** Neither party hereto shall, without the prior written consent of the other party (which shall not be unreasonably withheld), publicly announce or otherwise disclose (except to the U.S. Government when the purchase order references a U.S. Government contract or subcontract number), the existence or the terms of the agreement of which these terms and conditions form a part (an "Agreement"), or release any publicity regarding such Agreement. This provision shall survive the expiration, termination, or cancellation of such Agreement.

Any knowledge or information which Seller may disclose to METRIC in connection with such Agreement shall not be deemed to be confidential or proprietary information and shall be acquired by METRIC free from any restrictions as to use or disclosure thereof.

5. **Indemnity** In the event Seller, its officers, employees and agents or any of them enter premises owned, leased, occupied by or under the control of METRIC in the performance of or in connection with this order, Seller agrees to indemnify and hold METRIC, its officers, agents and employees harmless from any loss, cost, damage, or bodily injury (including death) of whatsoever kind or nature arising out of, or incidental to the performance, delivery or installation of this order occasioned in whole or in part by any action or omission of Seller, its employees, officers and agents or any of them. Seller will maintain general comprehensive liability, property damage and automobile liability insurance, including contractual endorsement and products hazards coverage, in reasonable amounts covering the obligations set forth in this order and, upon request, it will provide METRIC with a certificate of insurance indicating the amount of such insurance. Seller agrees to defend and indemnify METRIC and its customers from and against all claims, actions, liabilities, losses and costs and expenses (including attorneys fees, settlements and judgments) due to death or injury to any person, property damage or loss, or economic injury arising out of or related to Seller's representations, performance or obligations under this order. Seller's obligation to indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise except to the extent caused by the gross negligence or willful misconduct of METRIC.

6. **Waiver** Any failure of METRIC to enforce at any time, or for any period of time, any of the provisions of this purchase order shall not constitute a waiver of such provisions nor of METRIC's right to enforce each and every provision.

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7. Acceptance and Warranty

A. For Services. Seller warrants that all services provided hereunder shall be completed in a professional, workmanlike manner, with the degree of skill and care that is required by current, good and sound professional procedures. Further, Seller represents and warrants that such services shall be completed in accordance with applicable specifications and shall be correct and appropriate for the purposes contemplated in this Agreement. Seller represents and warrants that the performance of services hereunder will not conflict with, or be prohibited in any way by, any other agreement or statutory restriction to which Seller is bound.

B. For Goods. Seller warrants that all articles, material and work supplied by Seller under this order conform to the requirements, specifications, drawings, samples or other descriptions furnished or adopted by METRIC and that they are of good materials and workmanship and free from all defects in manufacture or design, and are of merchantable quality and fit for their intended purpose.

Such warranties by Seller shall run to the benefit of METRIC, its employees and customers. METRIC's approval of designs furnished by Seller shall not relieve Seller of its obligation under this warranty. Seller's warranty shall be effective for a period of time as set forth on the face of any purchase order into which these terms and conditions are incorporated. If no such schedule is set forth on the face of any purchase order, the warranty shall be effective for a period of one year from the date of acceptance of goods by METRIC, or for such longer period specified by Seller. All articles and material returned to Seller for breach of warranty hereunder shall be at Seller's expense, including expenses and penalties incurred by METRIC in recalling such articles and materials which have been delivered to METRIC's customers and expense of redelivery. Seller agrees that shipment of materials against this purchase order constitutes certification that all articles or goods included in this shipment conform in all respects to the applicable requirements, specifications, and drawings. Seller will make inspection and test reports covering the articles or goods and their parts available for review and subject to examination by METRIC or its authorized representative to verify conformance to such applicable specifications and drawings. Final acceptance of material by METRIC will not be until after arrival at the METRIC facility from which this order originates, unless otherwise specified herein. Final acceptance of services will not be until after METRIC's inspection for conformity to any applicable specifications, even if the inspection does not occur until the manufacturing stage. Inspection may be performed at METRIC's option, on a statistical sampling basis. The entire lot may be rejected based on the results of that sampling. At METRIC's option, the rejected lot will be either returned to the Seller for replacement or credit or 100% screened by METRIC with cost of screening paid by Seller. The initial inspection performed at METRIC on receipt of material is a conditional acceptance, and shall not waive the right of METRIC to return material to Seller that exhibits or develops defects due to latent causes during or after installation or testing of the end product. However, a certificate of conformance must accompany individual shipments when so specified on applicable drawings, or on the front of this purchase order. Any services defectively performed shall, if capable of being reperfomed, be reperfomed by Seller in conformance with any applicable specifications at no additional cost to METRIC. In addition to all other remedies at law, when services cannot be corrected by reperformance, METRIC may (1) require Seller to take necessary action to ensure that the future performance conforms to specifications and (2) equitably reduce the payment due the Seller to reflect the reduced value of the services performed. Any articles or materials not accepted by METRIC may be returned to Seller at Seller's expense for full credit of the purchase price.

Seller will indemnify and hold METRIC harmless in respect of the cost of any recall campaigns and other corrective actions that, in METRIC's reasonable judgment, are required to rectify nonconformities in the goods ordered or services provided hereunder that are the result of defects in design (to the extent that Seller furnished the design), materials or workmanship.

8. Tooling and Drawings Seller shall preserve all special drawings, dies, patterns, tooling or other items supplied or paid for by METRIC in good condition; and they are the property of METRIC unless otherwise specified, and the same such items shall be returned in good condition when the work on the order has been completed or terminated, or at any other time as requested by METRIC. No special drawing, die pattern, tool or other item supplied by METRIC or made by Seller for the use of or delivery to METRIC, or for use by Seller in supplying METRIC, shall be used by Seller for any purpose other than supplying METRIC, without Seller's first obtaining the written consent of METRIC thereto, provided, however, that if the U.S. Government has rights in such items under a prime contract with METRIC, noninterfering use of the items for direct sales to the Government is authorized if written notice is provided to METRIC prior to such use. If material,

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equipment, special drawings, dies, patterns, or other items are furnished by METRIC for performance of this purchase order, all risk of loss thereof or damage thereto shall be upon Seller from the time of shipment to Seller until redeliver to and receipt by METRIC.

9. Patents and Copyrights Seller agrees to indemnify and to save METRIC, its officers, agents, employees, and vendees (mediate and immediate) harmless from any and all loss, expense, damage, liability, claims or demands either at law or in equity for actual or alleged infringement of any patent invention, design, trademark, or copyright arising from the purchase, use or sale of materials or articles required by this purchase order, except where such infringement or alleged infringement arises by reason of designs for such materials or articles originally furnished to Seller by METRIC.

10. Confidential Data All drawings and specifications furnished or paid for by METRIC shall be the property of METRIC, shall be subject to removal at any time without additional cost upon demand by METRIC, shall be used only in filling orders from METRIC, and shall be kept separate from other drawings and specifications, and identified as the property of METRIC. The information contained in reports, drawings, documents, or other records which are furnished to Seller by METRIC relative to the order, to the extent that such information is not in the public domain, shall not be disclosed to others, except to subcontractors as necessary for completion of the order, in which event the subcontractor shall have the same obligation of nondisclosure. Upon completion, termination, or cancellation of the order, Seller shall return all drawings and specification to METRIC, in the event METRIC requests return of any such items, within thirty (30) days after the effective date of completion, termination, or cancellation. Any such data of METRIC retained by Seller shall remain subject to the foregoing restrictions on use, reproduction, and disclosure. Upon termination of the order, either for cause or convenience, METRIC may, at METRIC's option, use, on a non-exclusive basis, all drawings, documents, or other records related to the order whether created by METRIC or Seller without further compensation to Seller. Seller may not disclose the existence of the order or the items to be supplied thereunder without METRIC's written consent, except to subcontractors who shall have the same responsibility

11. Changes METRIC may change from time to time any of the drawings, specifications or instructions for work covered by this purchase order and Seller shall comply with such change notices. Any drawings changed by Supplier to facilitate a change of design by METRIC remain the property of METRIC, and METRIC reserves the right to obtain electronic copies thereof at any time. If such changes result in a decrease or increase in Seller's cost or in the time for performance, the parties will adjust the purchase price equitably, provided, however, that Seller notifies METRIC of the request for such adjustments within thirty (30) days after receipt by it of the change notice.

12. Assignments Performance obligations shall not be assigned or transferred by Seller without prior written approval by METRIC, and any attempted assignment or transfer without such consent shall be void. Seller shall not subcontract any substantial portion of the work to be performed by it under this order without the prior written consent of METRIC. Any change in control of Seller or any fundamental change having the effect of a change in control shall be deemed an assignment for purposes of this order.

13. Termination METRIC may terminate the work to be performed hereunder in whole or in part at any time without cause by written notice to Seller. Such notice shall state the extent and effective date of such termination and, upon the receipt of such notice, Seller will comply with the directions pertaining to work stoppage hereunder and the placement of further orders or subcontracts hereunder. The parties shall thereupon employ their best efforts to agree by negotiation, within three (3) months upon the amount of reimbursement, if any, to be paid to Seller for such termination. Termination under this provision shall not be deemed a breach of contract. The provisions of this paragraph shall not limit or affect the right of METRIC to terminate this Agreement for cause and shall not apply to a termination for cause. Seller shall mitigate its claim to the maximum extent, and in any event no claims shall exceed the lesser of fair market value or actual cost of raw materials and work in progress material that Seller shows cannot be diverted to other uses. No claim shall be asserted or honored for loss of expected profits, or for any consequential or incidental damages, due to cancellation.

14. Price Adjustment METRIC will not accept shipment at any increase in price above that indicated on METRIC's purchase order. Any general price decrease announced by Seller in classification of equipment and/or materials similar to the items described on the purchase order shall automatically reduce the price thereof by a comparable percentage.

15. Notice of Labor Disputes Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof to METRIC and, if

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the order relates to a military contract, Seller will also give notice to the nearest military representative.

16. **Terms** The price specified for the articles, materials or work ordered hereunder shall include all taxes and duties. Net invoices will be paid within forty-five (45) days following receipt by METRIC or shipment F.O.B. source, whichever is applicable as indicated on the face hereof. Invoices must have only one part number per invoice. If METRIC receives the invoice prior to such shipment or receipt of goods or services, the foregoing terms on this order shall be measured from date of such receipt of shipment of goods rather than date of receipt of invoice.

17. **Extra Charges** No charges of any kind, including charges for boxing or cartage, will be allowed, unless specifically agreed to by METRIC in writing. Pricing by weight, where applicable, covers net weight of material, unless otherwise agreed.

18. **Time of Delivery** The delivery dates indicated by METRIC for the articles, material or work to be supplied under this purchase order are of the essence. Failure to meet agreed upon delivery shall be considered a breach of the contract; furthermore, Seller agrees to pay to METRIC any penalty and damages imposed upon or incurred by METRIC for failure of Seller to deliver articles, materials, or work on such delivery dates. Unless otherwise agreed in writing, Seller shall not make commitments for material or production in excess of the amount or in advance of the time necessary to meet METRIC's delivery schedule. It is the Seller's responsibility to comply with this schedule, but not to anticipate METRIC's requirements. Goods shipped to METRIC in advance of schedule may be returned to Seller at Seller's expense. METRIC may reschedule

the delivery of any unshipped product for later delivery within ninety (90) days of the originally scheduled delivery date.

19. **Force Majeure** METRIC shall have the right to suspend shipments from Seller hereunder without penalty or liability to METRIC in the event of war, riot, flood, acts of God, fire, court order, strike, work stoppage, act of governmental authority, or other causes beyond METRIC's control. METRIC shall not be liable to Seller for its failure to accept delivery of goods purchased hereunder, provided such failure arises from such above-mentioned causes.

20. **Setoff** METRIC shall be entitled at all times to setoff any amount owing, for any reason, at any time, from Seller to METRIC of any of its affiliated companies against any amount payable at any time by METRIC in connection with this order.

21. **Sales and Use Tax Exemption** It is hereby certified that the above described property is exempt from the sales and use tax, unless otherwise noted for the reason that such property is purchased for resale or will become an ingredient or component part of, or be incorporated into, or used or consumed in, a manufactured product produced for ultimate sale at retail. If the property described on this purchase order is purchased tax exempt and subsequent use makes this property taxable, METRIC will access and pay tax to the appropriate state.

22. **Reservation of Rights** METRIC expressly reserves all rights and remedies which are available to it at law or equity, including but not limited to rights and remedies set forth in the Uniform Commercial Code.

23. **Attachments** Any attachments referenced on this order or into which these terms and conditions are incorporated shall be deemed for all purposes to be an integral part of this order. In the event of irreconcilable conflict between such referenced attachments and the terms stated herein, the terms of such contracts shall control.

24. **Overshipments** Seller is instructed to ship only the quantity (ies) specified in this order. However, any deviation caused by conditions of loading, shipping, packing, or allowances in manufacturing processes may be accepted by METRIC according to the overshipment allowance indicated on the face of this order. If no allowance is shown, it shall be 0% (zero percent). METRIC reserves the right to return any overshipment in excess of the allowance at the Seller's expense.

25. **Packing and Shipping Instructions** Seller agrees to insure that shipments are properly packed and described in accordance with METRIC specifications and/or applicable carrier regulations. Shipments will be made at the lowest freight charges. METRIC may assist Seller by providing freight classifications or classifying material. Seller will not insure or declare value on shipments, except on parcel post, unless METRIC specifies otherwise. On shipment where value is declared, Seller will ship prepaid insured for \$50 to facilitate tracing. When shipping via small parcel, Seller will ship freight collect if available, otherwise Seller will ship freight prepaid. Seller shall consolidate air and surface shipments daily on one bill of lading per mode to avoid premium freight costs, unless instructed otherwise by METRIC. In case of any shipment that does not correspond to normal past practice between

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METRIC and Seller, or to standard practice in the industry, (e.g., requires special handling equipment or air ride suspension, or air shipment over 500 pounds, or over 120 inches long or wide, or over 56 cubic feet, etc.) Seller agrees to notify METRIC's appropriate traffic department 72 hours prior to shipment for special shipping instructions. All truck shipments must be classified by Seller using the current "National Motor Freight Classification Tariff". Each box, crate or carton will show METRIC's full street address (not just post office box numbers) and purchase order and item numbers regardless of how shipped. On small parcel shipments, a packing list shall accompany each container and shall describe the contents of that container. On other shipments, Seller will provide a packing list to accompany each shipment, referencing the appropriate purchase order and item number. The bill of lading also will reference the purchase order and item number. Seller is responsible for packing any shipment correctly based on the carrier/mode utilized. Charges for packing and crating shall be deemed part of the purchase price, and no additional charges will be made therefor unless specifically requested by METRIC on the purchase order. Seller agrees to ship via the carrier specified by METRIC. Failure to ship via METRIC specified carrier will subject Seller to misroute debit. All premium freight cost incurred by METRIC or Seller beyond that specified by METRIC shall be borne by Seller. Seller is responsible for all shipments that are damaged in transit due to improper packaging, improper judgment or any other act or omission of the Seller, shipper, or carrier. On all F.O.B. origin shipments, except Parcel Post, Seller will ship freight collect. (If small parcel carrier collect is unavailable, Seller will ship prepaid).

Definition of Terms (Whether F.O.B. origin or destination).

1. "Freight collect" Seller will ship freight collect - freight carrier will bill METRIC.
2. "Freight prepaid charge back" - Seller will ship freight prepaid and bill METRIC.
3. "Freight prepaid" - Seller will ship freight prepaid and bear all transportation costs.

26. Returns Defective material shall be returned freight collect to Seller. Replacement material shall be sent freight prepaid from Seller, who will absorb the burden of premium transportation when defect or replacement material places critical time or delivery schedule constraints on METRIC.

27. Bailed Property Seller bears all responsibility for loss of and damage to any property owned by METRIC and in Seller's possession or control for use in performing a purchase order, including responsibility for loss and damage which occur despite Seller's exercise of reasonable care, but excluding normal wear and tear. Seller will (i) properly house and maintain such property on Seller's premises, (ii) prominently mark it Property of METRIC, (iii) refrain from commingling it with the property of Seller or with that of a third party, (iv) adequately insure such property against loss or damage, and (v) not move it to another location whether owned by Seller or a third party, without the prior written consent of METRIC, except in the case of an emergency, Seller may move such property provided that it gives METRIC notice that the property has been moved and the location of the property as soon as reasonably practicable. METRIC will have the right to enter Seller's premises at reasonable times to inspect such property and Seller's records pertaining thereto. Where permitted by law, Seller waives any lien that Seller might otherwise have on any of METRIC's property for work done thereon or otherwise. Seller will assign to METRIC any claims Seller has against third parties with respect to METRIC's property. Upon request, Seller immediately will deliver such property at METRIC's option F.O.B. Carrier Seller's facility (Ex Works Loaded) or F.O.B. METRIC's premises (CIF METRIC Plant/Delivered METRIC Plant), properly packed and marked in accordance with the requirements of the carrier and METRIC. Seller will cooperate with METRIC's removal of the property from Seller's premises.

28. Inspection - Quality System

A. The Seller agrees to permit METRIC and METRIC's customer or Government representatives if this purchase order references a U.S. Government contract or subcontract number, to verify the quality of supplies and services being provided under this purchase order at any production stage in the Seller's facility. Verification may consist of a physical assessment/surveillance of the Seller's facilities and quality programs and/or a source inspection. Deficiencies identified during such verification shall be positively corrected by the supplier in the most expeditious manner possible. The seller shall provide all reasonable facilities and assistance for the safety and convenience of personnel engaged in such verification. Seller agrees to include into each subcontract seller might make hereunder appropriate provisions to the same effect.

B. Unless modified by the purchase order through the use of METRIC's P.O. clauses, Seller is required to ensure that the manufacturing processes used meets the technical requirements of the applicable drawings, specifications, engineering changes, and added requirements

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of the purchase order. An inspection system inherent to verifying the technical requirements must be maintained and objective evidence of such will be produced on request.

C. Third Party registration requirements for Suppliers of Castings, Components, Extrusions, Heat Treat, and Surface Treatments are specified in the Supplier Manual located on the Metric website. All other Suppliers are bound by third party registration requirements only when it is specifically negotiated and stated on the front of the Purchase Order form.

29. Independent Contractor METRIC is interested only in the results obtained under this Agreement; the manner and means of achieving the results are subject to Seller's sole control. Seller is an independent contractor for all purposes, without express or implied authority to bind METRIC by contract or otherwise. Neither Seller nor its employees, agents or subcontractors are agents or employees of METRIC and therefore are not entitled to any employee benefits of METRIC including, but not limited to, any type of insurance. Seller shall be responsible for all costs and expenses incident to performing its obligations under this agreement and shall provide Seller's own supplies and expenses.

30. Seller Ownership Change Seller is required to submit immediately in writing to METRIC notification on the following change conditions, whether this contract is DOD classified or not:

1. Acquisition by or merger with any foreign interest;
2. Majority or controlling interest obtained by a foreign interest.

31. Government Contract Provisions If this purchase order references a U.S. Government contract or subcontract number, the dates of the following clauses of the Federal Acquisition Regulation (FAR) are the same as the dates of the corresponding clauses in the prime contract referenced on the front of this P.O. are incorporated by reference and will prevail in the event of any inconsistency with the foregoing terms and conditions. Cost accounting standards (CAS) requirements are those in effect on the date of the subcontract award or final agreement on price, whichever is earlier. It is understood that the term "contracting officer" or "Government" shall mean METRIC and "contractor" shall mean Seller when applicable. Any reference to a "disputes" clause in any FAR clause incorporated in this purchase order is deleted. Any FAR clause that by its terms is required to be included in a subcontract is hereby incorporated in this purchase order when applicable. Seller shall be entitled to the full benefit of whatever authorization and consent clause is contained in the prime contract referenced on the front of this purchase order.

32. Federal Contractor Statutes, Regulations and Executive Orders: The Seller agrees that the representation and provisions required by Executive Order 11246, as amended by Executive Order 11375 and Executive Order 12086 (Equal Employment Opportunity) [41-C.F.R. Part 60-1.4 (a)], Executive Order 11625 (Minority Business Enterprises), the Vietnam-Era Veteran's Readjustment Assistance Act [38 U.S.C. Section 4212] as required by the OFCCP Regulations [41 C.F.R. Part 60-250.5 (a)], Section 503 of the 1973 Rehabilitation Act and Executive Order 11701 (Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era), Executive Order 11758 [41 C.F.R. Part 60-741.5(a)](Employment of the Handicapped) and Executive Order 13201 [29 C.F.R. Part 470] (Notification of Employee Rights Concerning Payment of Union Dues or Fees), are hereby incorporated and made a part of this contract.