

HAI ADVANCED MATERIAL SPECIALISTS, INC.
THIS PURCHASE ORDER IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS

BILLING AND SHIPPING

- A. All items shall be suitably packed, marked and shipped in accordance with the requirements of common carriers in a manner to secure lowest transportation cost, and no additional charge shall be made to the buyer therefore unless otherwise stated on the purchase order.
- B. No charge shall be made by Seller for drayage or storage unless agreed upon in writing by Buyer.
- C. Unless otherwise specified herein, Seller shall properly mark each package with Buyer's order number, and where multiple packages comprise a single shipment, each package shall also be consecutively numbered. Purchase Order number and package number shall be shown on Packing Slips, Bills of Lading and Invoices.
- D. Packing Slips must accompany each shipment.
- E. On date of shipment the original Bill of Lading or other shipping receipt for each shipment shall be forwarded to Buyer, Attention: Traffic Department.
- F. Seller shall describe item on Bill of Lading or other shipping receipt.
- G. Seller shall route shipment in accordance with instructions issued by Buyer's Traffic Department.
- H. Material supplied hereunder, which is shipped F.O.B. Point of Origin, is not to be insured against loss during transportation in excess of values required by law or regulation.

GENERAL

1. **ACKNOWLEDGMENT:** Any acknowledgment hereof which takes exception to the terms of conditions on the face and enclosed with this order will not be considered binding upon Buyer unless agreed to by an authorized representative of Buyer in writing. The contract resulting from acceptance of this order contains the complete and final agreement between Buyer and Seller and no agreement or other understanding in any way purporting to modify the terms and/or conditions hereof, shall be binding upon the Buyer unless made in writing and signed by Buyer's authorized representative.
2. **AGREEMENT ON PRICES:** By acceptance of this order Seller agrees that the prices contained herein are not in excess of Seller's list, catalogue or published prices; that such prices are not higher than prices charged to other purchasers purchasing similar equipment; that the said prices are not in excess of the prices provided by any applicable law, government decree, order or regulation.
3. **EXCUSABLE DELAYS AND DEFAULT:** Seller shall not be liable for delays or defaults in furnishing items or services hereunder, and Buyer shall not be liable for failure to accept same if such delays or defaults on the part of the Seller, or such failure on the part of the Buyer, are due to (1) acts of God or of a public enemy, (2) acts of the United States or any state or political subdivision thereof, (3) fires, floods, explosions or other catastrophes, (4) epidemics and quarantine restrictions, (5) strikes, slowdowns, or labor stoppages of any kind, (6) freight embargoes, (7) unusually severe weather, (8) delays of a supplier due to such causes of, (9) causes beyond the control and without the fault or negligence of Seller in furnishing items or services or of buyer in accepting items or services hereunder.
4. **WARRANTIES:** Seller warrants that items covered by this order will conform to the specifications, drawings, samples or other description furnished or specified by Buyer, or furnished by seller and accepted by Buyer, and will be merchantable, of good material and workmanship and free from defect. Without excluding other warranties Seller expressly warrants that all the material covered by this order which is recommended by Seller for a purpose revealed to Seller by Buyer or is in accordance with Seller's specifications, will be fit and sufficient for the purposes intended.
5. **WAIVER:** No waiver by Buyer of any drawing, specification or other requirement on one occasion shall constitute a waiver of any requirements for remaining performance hereunder unless so stated by the Buyer.
6. **INSPECTION AND TEST:** All items shall be subject to inspection and test by Buyer at all times and places and if any such inspection or test is made on Seller's premises, seller shall furnish without additional charge all reasonable facilities and assistance for the safety and convenience of the persons conducting such inspection or test. If any items are defective in material or workmanship, or otherwise fail to meet the requirement of this order, Buyer shall have the right to reject such items. Rejected items will be returned to Seller at Seller's risk for refund, credit, repair or replacement as deemed appropriate by Buyer. Seller shall pay Buyer for all handling and transportation expenses incurred in connection with the return of rejected items and supply of replacement items.
7. **BUYER'S PROPERTY:** Unless otherwise provided herein, or in any other agreement between the Buyer and Seller, all items, materials, facilities, tools, jigs, dies, fixtures, patterns or equipment furnished or paid for by the Buyer shall be the property of Buyer and Seller shall bear all risk of loss thereof, and damage, thereto, normal wear and tear excepted, while such property is in Seller's possession. Property covered by this provision shall be suitably protected, segregated, and marked as the property of Buyer, shall not be moved from Seller's premises without written Buyer approval; and shall be immediately delivered to Buyer upon request.
8. **CHANGES:** Buyer may, at any time, by a written order make changes within the general scope of this order in any one or more of the following: (I) work to be performed; (II) method of shipment or packing; and (III) schedule and place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for performance of this order, an equitable adjustment shall be made in the order price or delivery schedule, or both, and the order shall be modified in writing accordingly. Seller shall submit its claim for adjustment under this clause within 30 days from the receipt from Buyer of the notification of change. The claim shall indicate the nature of the changes in the cost of performance and the amounts thereof, including obsolescence charges, if any. Buyer may, however, receive and act upon any claim filed subsequent to said 30-day period but prior to final payment under this order if it decides that the facts justify such action. However, nothing in this clause shall excuse Seller from proceeding with the order as changed. Where the cost of property made obsolete or excess as a result of a change is included in a requested adjustment, Buyer shall have the right to prescribe the manner of disposition of such property.
9. **TERMINATION FOR DEFAULT:** Whenever Seller (1) fails to make scheduled delivery of items on to perform services called for herein within the time required by this order or (2) fails to perform any other provisions of this order, Buyer may by a ten days' written notice of termination to Seller, either delivered personally or by first class or registered mail, terminate performance of work under this order in hole or in part. Buyer may immediately terminate the contract resulting from the acceptance of this order in the event of the happening of any of the following: Insolvency of Seller: the filing of a voluntary petition in bankruptcy; filing of an involuntary petition to have Seller declared bankrupt provided it is not vacated within 3 days from the date of filing; appointment of a Receiver or Trustee for Seller provided such appointment is not vacated within 30 days from the date of such appointment; and execution by Seller of an assignment for the benefit of creditors. The exercise by Buyer by reason of the termination or have the effect of waiving damages which the Buyer might otherwise be entitled to. Where default is shown to Buyer by Seller within the 10-day period above to be excusable under paragraph 3 the termination therefore shall be void.

10. **PATENTS-TECHINCAL DATA:** All drawings, specifications, and other technical data or information furnished by Buyer hereunder shall remain the property of Buyer and shall not be disclosed to others used for manufacturing purposes, for other than Buyer's order, without Buyer's prior written permission. Seller agrees to indemnify Buyer and its customers against all judgment, decrees, costs and expenses arising from any claim of infringement in connection with the use or sale of the articles delivered hereunder, alone, or in combination according to Seller's specifications or recommendations, unless the articles are specially made for Buyer from a design originated by Buyer and such infringement shall have necessarily resulted from Seller's compliance with special design requirements set forth in specifications or drawings furnished by Buyer. In the event this order involves payment for research or development work, Seller agrees to, and hereby does grant Buyer its successors and assigns a nonexclusive, irrevocable and royalty-free license under any inventions, improvements or discoveries conceived or first actually reduced to practice in connection with such research or development work.

11. **LABOR DISPUTES:** Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller will immediately give notice thereof to Buyer. Such notice shall include all relevant information with respect to such dispute.

12. **FAIR LABOR STANDARDS ACT:** Seller guarantees that it will comply with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof, in producing the items or performing the services to be furnished hereunder. All invoices shall contain the following assurance:

Seller hereby certifies that it has complied with all applicable requirements of Section 6, 7, and 12 of the Fair Labor Standards Act of 1938, as amended and regulations and orders of the United States Department of Labor issued under Section 14 thereof, in producing the items or performing the services covered by this Invoice.

13. **EQUAL EMPLOYMENT OPPORTUNITIES:** Seller agrees to comply with the provisions of Executive Order No. 11246 of September 24, 1965, as it may be amended thereafter, and the rules, regulations and relevant orders of the relevant orders of the Secretary of Labor (all of which establish requirements as to equal opportunities in employment by Government contractors and subcontractors). The Government contract clause, Section 202 of Executive Order 11246, as it may hereafter be amended, is specifically incorporated herein and made part hereof by reference.

14. **NONSEGREGATED FACILITIES:** This is a notice to prospective subcontractors of requirement for certifications of nonsegregated facilities: Unless subcontractor is exempt from the provisions of the Equal Employment Opportunities clause set forth above, if this subcontract exceeds \$10,000.00 Seller agrees that it certification to that effect as required by the May 9, 1967 Order of the Secretary of Labor.

15. **REMEDIES:** The remedies reserved in this order shall be cumulative and additions to any other or further remedies provided in law or equity.

16. **INCONSISTENCIES:** In the event the printed conditions hereof are inconsistent with the typed, stamped, and/or written provisions on the face hereof, the written, stamped, and/or typed provisions shall govern.

17. **ASSIGNMENT:** Seller shall not assign this order without the prior written consent of Buyer's authorized representation.

18. **INFORMATION:** Seller agrees that none of the details connected with this order shall be published or disclosed to any third party (except as is necessary for performance of this order) without Buyer's written permission. Any knowledge or information concerning Sellers products, methods or manufacturing processes which Seller may disclose to Buyer incident to the performance of the work under this order shall be deemed to have been disclosed as a part of the consideration for this order, and Seller agrees not to assert any claim (other than a claim for patent infringement) against Buyer by reason of Buyer's use or alleged use thereof.

19. **TAXES:** Except as may be otherwise provided on the face hereof, the Purchase Order price includes all applicable Federal, State and local taxes currently in effect.

20. **GRATUITIES:** It shall be deemed a default subject to possible termination under paragraph 9 if it is found that gratuities (in the form of entertainment, gifts or otherwise) were offered or given by the Seller to any officer or employee of Hard Face Alloys, Incorporated with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending or the making of any determinations with respect to the performing of such contract.

21. **GOVERNING LAW:** The contract and the performance of the parties hereunder shall be construed in accordance with and governed by the law of the state shown in Hard Face Alloys, Incorporated address in the heading of the Order.

22. **WAGE-PRICE CONTROLS:** The Seller hereby certifies that the prices set forth herein and that amounts invoiced hereunder are in compliance with Executive Order 11615, August 15, 1971, and Executive Order No. 11640, December 22, 1971, and the regulations promulgated thereto.

23. **OCCUPATIONAL SAFETY & HEALTH ACT:** In addition to any other representations or warranties herein made and set forth, and not in limitation thereof, the Seller hereby certifies that at the time of delivery the products, supplies and/or equipment delivered to the Buyer hereunder are free from unsafe and harmful conditions and comply with all applicable federal, state and local safety and health laws.

24. **EMPLOYMENT OF THE HANDICAPPED:** Seller agrees to comply with the provisions of the Rehabilitation Act of 1973, Act of September 26, 1973, Pub. L.93-112, 87 Stat. 394, as it may be amended thereafter, and the rules, regulations and relevant order of the Department of Labor and of the Department of Health, Education and Welfare. The affirmative action clause, 20 C.F.R. S741.3 as if may hereafter be amended, is specifically incorporated herein and made a part hereof by reference.