

SIFCO Industries, Inc.
PURCHASE ORDER TERMS AND CONDITIONS
Effective November, 2019

The following terms and conditions of purchase (these “**Terms and Conditions**”) are incorporated into and made part of each purchase order (collectively, the “**Order(s)**”) pursuant to which SIFCO Industries, Inc., or any of its affiliated companies (collectively, the “**Purchaser**”) purchases or pays for any good(s) and/or service(s) (collectively, the “**Goods**”) from any individual company or other organization (“**Seller**”) and together with the Orders and these Terms and Conditions will constitute the entire agreement between Purchaser and Seller. This Order expressly limits Seller’s acceptance to the terms of the Order, which incorporates these Terms and Conditions.

1. **DEFINITIONS.** Capitalized terms used herein shall have the meaning ascribed to them below or as defined in the following Sections:
 - (A) “**Goods**” means any good(s) and/or service(s) described in this Order.
 - (B) “**Purchaser**” means the legal entity issuing an Order, specifically SIFCO Industries, Inc. or any of its affiliates in the case of Orders issued by SIFCO Forge Group or any of its affiliated companies.
 - (C) “**Purchaser Materials**” means any and all materials (whether in raw, partially treated or finished or treated or finished form), samples, models, tooling, dies, jigs, fixtures, plans, designs, specifications, software, drawings, technical or other information, intellectual property rights, contract rights or other tangible or intangible things provided by Purchaser to Seller for Seller’s use in fulfillment of this Order paid for by Purchaser (in addition to the price of the Goods) or, if specified on this Order or by mutual agreement in writing, to be paid for by Purchaser (in addition to the price of the Goods).
 - (D) “**Order(s)**” means any purchase order issued by a Purchaser to Seller, whether issued electronically, by fax, in writing or other means, referencing these Terms and Conditions.
 - (E) “**Seller**” means the person or business entity to which this Order is placed by Purchaser.
 - (F) “**Seller Materials**” means any and all materials (whether in raw, partially treated or finished or treated or finished form), samples, models, tooling, dies, jigs, fixtures, plans, designs, specifications, software, drawings, technical information, intellectual property rights, contract rights or other tangible or intangible things required by Seller to supply the Goods to Purchaser in accordance with these Terms and Conditions, except Purchaser Materials.
 - (G) “**Term**” means the period commencing upon the date this Order is accepted pursuant to Section 3 and ending when all of Seller’s obligations under this Order have been fully satisfied in accordance with these Terms and Conditions, unless another period is specified in this Order.
 - (H) “**Terms and Conditions**” means these Purchase Order Terms and Conditions.
2. **ORDERS.** These Terms and Conditions are incorporated into each Order that Purchaser issues to Seller as if they are fully written in the Order. Each reference to “this Order” in these Terms and Conditions means and shall be interpreted as “this Order (including these Terms and Conditions),” unless specified herein to the contrary. Each Order will contain a description of the Goods and identify the specifications, drawings, quantities, prices, delivery schedule, terms and place of delivery. Each such order must be confirmed by Purchaser or other authorized procurement representative in writing in order to be binding on Purchaser. Seller may ship only against a written Order.
3. **AGREEMENT/ACCEPTANCE/MODIFICATION.** An Order is Purchaser’s offer to buy from Seller the Goods that are subject of this Order. This Order is not binding on Purchaser until Seller accepts the Order, and Seller’s acceptance is expressly limited to the Order’s terms without additions, deletions, or other modifications. Seller shall be deemed to have accepted this Order upon the first to occur of: (A) Seller’s express acknowledgement or acceptance of this Order, (B) Seller’s commencement of manufacturing any Goods that are the subject of this Order, or (C) Seller’s receipt of any payment, partial or full, from Purchaser under this Order. Purchaser hereby rejects any different or additional terms in Seller’s acceptance of this Order or any other documentation provided by Seller

(including but not limited to invoices, confirmations, or acknowledgements). No modification, deletion, or additional shall be binding on Purchaser unless each is specifically accepted in writing by Purchaser's authorized procurement representative; provided, however, that only the portion specifically accepted shall be binding upon the parties, and all other portions not specifically accepted are rejected and do not form or become part of this Order. If Seller does not accept the Order in one of the foregoing ways within fourteen (14) days of Seller's receipt of the Order, this Order will lapse. Purchaser may withdraw the Order at any time before it is accepted by Seller .

4. **CHANGES.**

- (A) Subject to other provisions of this Section 4, Purchaser may by written notice make changes within the general scope of any Order to any one or more of the following: (i) drawing, designs or specifications for any of the Goods; (ii) method of shipment or packaging; (iii) place of inspection, delivery or acceptance; (iv) amount of Purchaser Materials; (v) quantity of any one or more of the Goods; and (vi) delivery schedule.
- (B) Seller will proceed immediately to perform this Order as changed by Purchaser. If any such change is the sole cause of a material increase or decrease in the cost of, or delivery time for, the supply of any Goods under this Order, then, except as otherwise provided for in Section 4(C) below, Seller (in the case of an increase) or Purchaser (in the case of a decrease) shall be entitled to an equitable adjustment in the purchase price or delivery schedule or both, as applicable; provided, however, that for Seller to qualify for such an adjustment, Seller must assert a claim for such adjustment within seven (7) days from the date of receipt by Seller of such notice of change from Purchaser and thereafter demonstrate, in reasonable detail, the impact of such change on the cost or delivery time of the Goods alleged to be so affected and that all of such impact was caused by such change. Seller shall proceed with the change pending resolution of any dispute over whether Seller is entitled to an adjustment for the change.
- (C) Notwithstanding paragraphs (A) and (B) above, Purchaser may make changes to this Order delivery schedule without cost impact; provided that Purchaser provides a minimum four (4) week notice, unless otherwise agreed to in writing, to Seller for any delivery schedule acceleration or deceleration.
- (D) Seller shall, at no cost to Purchaser, use best efforts to support any changes required by Purchaser within the notice period set forth above.
- (E) Nothing in this Section will excuse Seller from proceeding with the Order as changed.
- (F) Seller has no authority to deviate from the written contract and cannot make any changes to Good or processes (including drawings, data, specifications, etc.) without obtaining formal authorization in writing from the Purchaser to make the proposed changes.

5. **STOP WORK NOTICE.**

- (A) When directed by written notice from Purchaser, Seller shall immediately stop all or part of the work relating to this Order for the Goods and duration specified in the notice ("**Stop Work Notice**"); provided, however, that a Stop Work Notice shall not exceed ninety (90) calendar days from the date of the notice without the written consent of Seller
- (B) If Purchaser cancels a Stop Work Notice or if the period therein or in any agreed extension thereof expires, then Seller shall resume work under this Order, and Purchaser and Seller will agree upon a reasonable adjustment in the delivery schedule, which shall be approximately the time then remaining to fulfill this Order, on a Good by Good basis, when the Stop Work Notice was issued. In no event shall such adjustment exceed 30% more than such amount of time. A Stop Work Notice shall not affect the applicable pricing for any of the Goods in this Order.

6. **TERMINATION FOR CONVENIENCE.**

- (A) The performance of work under an Order may be terminated, in whole or in part, by Purchaser for its convenience. A partial termination of this Order has no effect on the portion of this Order not terminated. Termination of work will be effected by delivery to Seller of a notice of termination specifying the extent to

which performance of work under the Order is terminated, and the date upon which such termination becomes effective.

- (B) After receipt of a notice of termination and except as otherwise directed by Purchaser, Seller will:
- (i) Immediately cease all work under the portion of this Order so terminated, including but not limited to the further manufacture and procurement of materials for the fulfillment of the terminated portion of this Order, on the date and to the extent specified in the notice of termination;
 - (ii) Place no further Orders or suborders for materials, services, or facilities except as may be necessary for completion of such portions of the work under the Order that is not terminated;
 - (iii) Terminate all Orders and suborders to the extent that they relate to the performance of any work terminated by the notice of termination;
 - (iv) Assign to Purchaser, in Purchaser's sole discretion and solely in the manner and to the extent directed by Purchaser all the right, title and interest of Seller under the Orders or subcontracts so terminated;
 - (v) Settle all outstanding liabilities and all claims arising out of such termination of Orders and subcontracts subject to the approval or ratification of Purchaser to the extent Purchaser may require, which approval or ratification will be final for all the purposes of this Section 6;
 - (vi) Unless instructed to the contrary in the termination notice, within twenty (20) days after receipt of such notice, transfer title and deliver in the manner, to the extent, and at the times directed by Purchaser (1) work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of, the terminated by the notice of termination, and (2) the completed or partially completed plans, drawings, information, and other property which, if the Order had been completed, would be required to be furnished to Purchaser;
 - (vii) Use its best efforts to sell in the manner, to the extent, at the time, and at the price or prices directed or authorized by Purchaser, any property of the types referred to above; provided however, that Seller (1) will not be required to extend credit to any purchases, and (2) may acquire any such property under the conditions prescribed by and at a price or prices approved by Purchaser; and provided further that the proceeds of any such transfer or disposition will be applied in reduction of any payments to be made by Purchaser to Seller under an Order or will otherwise be credited to the price or cost of the work covered by an Order or paid in such other manner as Purchaser may direct;
 - (viii) Complete performance of such part of the work that has not been terminated by the notice of termination;
 - (ix) Within thirty (30) days after receipt of such notice, provide Purchaser with a report describing the status of all Goods (including the degree to which each Good was finished), the inventory and procured cost of Seller Materials and the inventory of Purchaser Materials (if any), in each case, at the time of receipt of the termination notice; and
 - (x) Take such actions as may be necessary or as Purchaser may direct for protection and preservation of the property related to an Order, which is in the possession of Seller and in which Purchaser or Purchaser's customer has or may acquire an interest.
- (C) After receipt of a notice of termination, Purchaser will accept a written termination claim from Seller if such claim is received by Purchaser not later than seven (7) days from the effective date of termination. Settlement proposals for Seller's termination claim must be on the forms prescribed by Purchaser unless otherwise agreed to by Purchaser and Seller. Settlement proposals must be in the detail prescribed by such forms and must be accompanied by full and complete supporting documentation as required by Purchaser. Purchaser and Seller will work together to come to mutual agreement on any amounts owed by Purchaser arising from a termination of an Order pursuant to this Section 5.

- (D) Purchaser's sole obligation shall be to pay Seller a percentage of the total price that reflects the percentage of the work performed prior to the notice of termination plus reasonable charges Seller can demonstrate to the satisfaction of Purchaser using its ordinary business records have resulted from the termination. In no event will the total sum to be paid to Seller, pursuant to this Section 5, exceed the total Order price reduced by the amount of payments otherwise made and as further reduced by the Order price of work not terminated. Except for normal spoilage and except to the extent that Purchaser will have otherwise expressly assumed the risk of loss, there will be excluded from the amounts payable to Seller the fair value as determined by Purchaser of property which is destroyed, lost, stolen, or damaged so as to become undeliverable to Purchaser or to its customer. In no event will Purchaser be responsible for the payment of any consequential, special, or incidental damages.
- (E) The obligation of Purchaser to make any payments under this Section 5 will be subject to deductions with respect to (i) all unliquidated advance or other payments on account theretofore made to Seller applicable to the terminated portion of the Order, (ii) any claim which Purchaser may have against Seller, in connection with the Order or any other transaction with Seller, and (iii) the agreed price for, or the proceeds of sale of any materials, supplied, or other things retained by Seller or sold, and not otherwise recovered by or credited to Purchaser. Upon Purchaser's payment to Seller, title to all deliverables, including but not limited to, completed Goods, work-in-progress, tooling, equipment, drawings, plans, specifications, and other information obtained by and under this Order.
- (F) Notwithstanding the notice of termination or payment under this Section, Purchaser preserves all rights related to Seller's previous breach(es).

7. TERMINATION FOR CAUSE OR DEFAULT.

- (A) (1) The Order may be terminated by Purchaser at any time immediately upon written notice in the event of Seller's material breach of any term or provision of these Terms and Conditions or if Seller fails to:
 - (i) Deliver the Goods within the time specified in an Order or any extension.
 - (ii) Fails to make adequate assurances of performance or future performance.
 - (iii) Make progress, so as to endanger performance of an Order.
 - (iv) Comply with any other provision of the Order or written directions or specifications provided by Purchaser.
 - (v) Files or has filed against it a petition of bankruptcy, becomes insolvent, or suffers material adverse change to its financial condition.(2) Purchaser's rights to terminate an Order under the subdivisions above of this Section 7 may be exercised if Seller does not cure such failure within ten (10) calendar days (or more if authorized in writing by Purchaser) after receipt of the notice from Purchaser specifying the failure.
(3) Default relating to delivery schedule or financial condition shall not be curable unless separately permitted in writing by Purchaser.
- (B) If Purchaser terminates an Order in whole or in part, it may acquire, under the terms and in the manner Purchaser considers appropriate, Goods similar to those terminated, and Seller will be liable to Purchaser for any excess costs for those Goods. However, Seller shall proceed with the portion of this Order not terminated. This provision does not limit Purchaser's other remedies and rights, all of which are cumulative
- (C) If an Order is terminated for cause, in addition to any and all remedies available to Purchaser, Purchaser may require Seller to transfer the title and deliver to Purchaser, as directed by Purchaser, any (1) completed Goods, and (2) Seller Materials that the Seller and its subcontractors have specifically produced or acquired for such portion of this Order and/or partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively referred to as "**Manufacturing Materials**") that Seller has specifically produced or acquired for the terminated portion of an Order. Upon

direction of Purchaser, Seller will also take all actions necessary to protect and preserve property in its possession in which Purchaser has an interest.

- (D) Purchaser will pay the Order price for completed Goods delivered and accepted pursuant to Section 7(C). The Seller and Purchaser shall agree on a reasonable amount of reimbursement for Seller Materials and/or Manufacturing Materials delivered and accepted and for the protection and preservation of the property upon a termination of an Order pursuant to this Section 7. Failure to agree will be a dispute to be resolved pursuant to Section 24. Purchaser may withhold from these amounts any sum Purchaser determines to be necessary to protect Purchaser against loss because of outstanding liens or claims of former lienholders against Seller or the Goods and Purchaser's estimate of excess procurement costs due Purchaser, as well as any other costs or expenses incurred by Purchaser arising from the termination for cause.
- (E) In addition to the provisions of subsection (A) of this Section 7, Purchaser may by written notice terminate the entire Order, or any part thereof, in the following circumstances:
- (i) Seller consents to the appointment of a receiver, trustee, liquidator, assignee, custodian, sequestrator or similar official of Seller or of all or a substantial part of its property, or Seller admits in writing its inability to pay its debts generally as they come due, or makes a general assignment for the benefit of creditors; or
 - (ii) Seller files a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in any bankruptcy or insolvency case or an answer admitting the material allegations of a petition filed against Seller in any such case, or an order for relief is entered against Seller in any such case, or Seller seeks relief by voluntary petition, answer or consent, under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of the corporation, or providing for an agreement, composition, extension or adjustment with its creditors; or
 - (iii) An order, judgment or decree is entered in any proceeding by any court appointing, without the consent of Seller, a receiver, trustee, liquidator, assignee, sequestrator similar official of Seller or of all or any substantial part of its property, or sequestering all or any substantial part of the property of Seller, and any such order, judgment or decree of appointment or sequestration remains in force un-dismissed, unstated or unvacated for a period of ten (10) calendar days after the date of entry thereof; or
 - (iv) A petition against Seller in any bankruptcy or insolvency case in effect is filed and is not withdrawn or dismissed within ten (10) calendar days thereafter; or
 - (v) A breach by the seller and termination of any other contract between the parties; or
 - (vi) A change in control of the Seller; or
 - (vii) The dissolution or liquidation of Seller; or
 - (viii) The cancellation, suspension or other revocation of licenses, permits or authorizations necessary for Seller to conduct its business.
- (F) In the event Seller enters into bankruptcy proceedings, whether voluntary or involuntary, Seller agrees to furnish written notification of the bankruptcy to Purchaser within five (5) days of the initiation of bankruptcy proceedings. The notification will include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy was filed, a listing of all outstanding Orders from Purchaser and a listing of all Purchaser Materials in Seller's possession.
- (G) Should it be determined that Seller was not in default at the time of termination, termination shall be deemed one for convenience

8. **EXCUSABLE DELAY.**

- (A) A delay in the performance by the Seller of any obligations under this Order which is caused by an event which (i) is an act of God, act of Government, fire, riot, war, or any other event which constitutes a superior force and is beyond the reasonable control of the Seller, (ii) interferes with the performance of Seller's obligations under this Order, and (iii) the effects of which could not reasonably have been avoided by the Seller shall, subject to the provisions of this Section 8, constitute an "**Excusable Delay.**" Lack of financial resources of the Seller or its subcontractors and labor disturbances, including strikes/lock-outs experienced by the Seller or its subcontractors, are not Excusable Delay.
- (B) To claim an Excusable Delay, the Seller shall, by written notice to the Purchaser, advise of the occurrence of an event that has resulted or is likely to result in an Excusable Delay and take all reasonable steps to avoid or remove the cause of such delay and provide the Purchaser with a reasonable corrective action plan within ten (10) calendar days of such facts coming to the attention of Seller.
- (C) In the event of an Excusable Delay, any affected delivery date shall be postponed for such period as is reasonably necessary to offset the effects of the Excusable Delay. In no event shall the delivery date be extended by a time period longer than the time period in which the Excusable Delay was in effect. No adjustment will be made to this Order price; adjustment to the delivery schedule is the exclusive remedy of the Seller in the case of an Excusable Delay.
- (D) Notwithstanding the above, after an Excusable Delay has continued for a period of thirty (30) calendar days, the Purchaser may terminate this Order or any portion thereof in accordance with Section 7.

9. PURCHASER MATERIALS.

- (A) Except as otherwise provided herein, Seller shall not use, reproduce, appropriate or disclose to anyone other than Purchaser or for the benefit of any party other than Purchaser, any Purchaser Materials and/or any material, samples, tooling, dies drawings, designs, specifications, software, technical information, customer information and other property or data furnished by Purchaser; nor will Seller use the same to produce or manufacture Goods other than those required hereunder without prior written authorization from Purchaser.
- (B) As between Purchaser and Seller, title to such Purchaser Materials shall be and remain with Purchaser at all times. Purchaser does not guarantee the accuracy of any tooling or the quality or suitability of any material supplied by it. Seller will bear the risk of loss, damage or destruction of the Purchaser Materials and shall promptly replace or repair without expense to Purchaser any of the Purchaser Materials which is lost, damaged or destroyed by Seller. All Purchaser Materials, together with surplus materials, shall be returned to Purchaser upon termination or completion of this Order unless Purchaser shall direct otherwise in writing.
- (C) [When Purchaser furnishes material, scrap allowance is per purchase order line quantity, per this table]:

0-25 pieces	1 piece
26-50 pieces	2 pieces
51 pieces and up	3 pieces

Seller will be responsible for the value of all scrap in excess of the allowable amount.

- (D) Where Purchaser's data, designs or other information are furnished to Seller's suppliers for procurement of supplies or services by Seller for use in the performance of Purchaser's Order, Seller will insert the substance of this provision in its subcontracts. Seller acknowledges that any such data, designs or other information of Purchaser are unique, and that Purchaser may enforce its rights under this paragraph by specific performance.
- (E) Seller will pay all taxes and similar charges, which are legally imposed upon any tools or materials in Seller's possession, to which Purchaser retains or acquires title.
- (F) Designs, Tools, jigs, fixtures, templates, patterns and drawings (hereinafter collectively called "**Tools**") furnished by Purchaser and Tools (except as provided in (b) hereof) made or acquired by Seller for performance of Purchaser's Order, the cost of which is separately quoted or amortized in the unit price, will remain or become the property of Purchaser. Such Tools will be used exclusively for production under Purchaser's Orders.

- (i) Seller will maintain the Tools referred to in (i) above and will replace when necessary. Seller will not make any alterations in such tools without Purchaser's specific written authorization.
 - (ii) Tools made or acquired by Seller for performance of Purchaser's Order, the cost of which is chargeable to Purchaser, will be separately identified as directed by Purchaser. Unless otherwise stated in this Order, invoices for tooling to be paid for by Purchaser will not be processed and payment for such tools will not be due until Purchaser has accepted Goods produced from such Tools. .
 - (iii) If applicable to this Order, all Tools furnished or paid for by Purchaser and lost, damaged or destroyed by Seller shall be charged to the Seller at replacement value.
- (G) Seller will provide an annual accounting and physical inventory to Purchaser of all Purchaser Materials including parts, tooling, fixtures, etc. provided to Seller as a result of this Order. Such accounting will be provided by Seller to Purchaser within one (1) week after Purchaser's request.
- (H) Seller acknowledges that Purchaser Materials may be unique and proprietary and that monetary damages may be inadequate to compensate Purchaser for Seller's breach of this provision. Accordingly, in addition to any other remedies available to Purchaser under this Order, or at law or in equity, Purchaser will be entitled to seek injunctive relief to enforce the terms of this Section 9. Seller further agrees that a copy of this Order and any applicable attachments or supplements may be filed with any cognizant governmental agencies and agrees to execute required documents, including, without limitations, Uniform Commercial Code financing statements, and take other action as Purchaser deems appropriate in order to protect Purchaser's and Purchaser's Customers' rights in Purchaser Materials.

10. INTELLECTUAL PROPERTY.

- (A) A copyright, trademark, trade secret, software, data, idea, concept, process, formula, invention, system, report or other intellectual property resulting from any Seller work performed for this Order, shall be the sole property of Purchaser. To the maximum extent permitted by law, any and all of the foregoing that constitutes copyrightable subject matter shall be deemed "work made for hire" under 17 U.S.C. §101. To the extent any of the foregoing is not deemed a "work made for hire," then Seller agrees to assign and hereby assigns to Purchaser any interest Seller may have in such intellectual property and Seller and its employees and contractors hereby waive any economic or moral rights relating to such intellectual property. Seller shall, and shall cause its employees and contractors to, promptly execute and deliver to Purchaser any documentation reasonably requested by Purchaser to further document ownership consistent with this Section.
- (B) With respect to any software contained within or required to use the Goods, unless otherwise agreed in writing by the Parties, Seller grants to Purchaser a fully paid-up, worldwide, irrevocable and non-terminable license under all intellectual property rights owned by or licensed to Seller or any of its affiliates in such software and its related documentation, including, without limitation the rights to reproduce, distribute, create derivative works, display publicly, make, use, sell, offer for sale and import such software and documentation, in whatever form provided or stored, and Goods and processes incorporating or made using such software or documentation. The foregoing license includes the right to sublicense to affiliates and contractors of Purchaser. Such software and documentation constitutes "intellectual property" as defined by 11 U.S.C. §101 and Purchaser is entitled to all of the benefits of the U.S. Bankruptcy Code in connection therewith, including to the extent not in the possession of Purchaser, the right to request and receive the source code form of such software to the extent reasonably requested by Purchaser to exercise the rights licensed to it hereunder.
- (C) With respect to any Seller Materials that constitute copyrighted subject matter, Seller grants to Purchaser a fully paid-up, worldwide, irrevocable, and non-terminable license under all intellectual property rights owned by or licensed to Seller or any of its affiliates in such subject matter, including without limitation, the rights to reproduce, distribute, create derivative works of, display and perform publicly such subject matter, in whatever form it is kept, stored or provided. Such license includes the right to sublicense to affiliates and contractors of Purchaser.

- (D) Purchaser grants to Seller a license under all of Purchaser's intellectual property rights in the Purchaser Materials to use such materials to the limited extent strictly necessary for Seller to supply the Goods to Purchaser in accordance with this Order. Except as provided in the preceding sentence, Purchaser does not grant to Seller any rights under any of Seller's or its affiliates' intellectual property rights, by implication, estoppel or otherwise, and Seller reserves all such rights for itself.
- (E) Seller agrees to assign and assigns to Purchaser an interest Seller may have in inventions conceived by Purchaser and reduced to practice by Seller using funds provided by Purchaser under an Order. Seller hereby agrees to grant and does hereby grant to Purchaser a worldwide irrevocable, non-exclusive, royalty-free license to make, use and sell any invention conceived or first actually reduced to practice in the course of or under the Order.

11. **QUALITY REQUIREMENT; PURCHASER'S REMEDY**

- (A) In addition to any specific quality assurance requirements stated in this Order. Seller will provide and maintain a Quality System approved by SIFCO Quality/Procurement Group ("**Quality System**"), including traceability throughout all stages of manufacturing. Seller will provide, at no charge to Purchaser, appropriate facilities reasonably necessary to allow Purchaser or customer to perform quality inspection activities as they may be required pursuant to these terms. No Quality System shall be destroyed without the written consent of Purchaser or its designee.
- (B) Seller will provide and maintain a Quality System acceptable to Purchaser and in compliance with MIL-1-45208A or MIL-Q-9858A if so identified in an Order. Seller agrees that Purchaser's authorized customer, purchasing, technical and quality assurance representatives and agents (including but not limited to DCAS and FAA representatives, as applicable) will be entitled to enter the plant of Seller at all reasonable times for the purposes of maintaining liaison between Seller's quality control system and Purchaser, for reviewing Seller's manufacturing and processing plans and records, and for conducting preliminary inspection and tests of the Goods. Seller also agrees that a similar provision giving Purchaser the right to enter the plants of Seller's subcontractors and suppliers will be included by Seller in its subcontracts relating to Goods. If required by Purchaser, Seller will provide, at no charge to Purchaser, appropriate facilities reasonably necessary to allow the customer/Regulatory Agencies/Purchaser/Government/and/or/FAA representatives to perform quality control/inspection activities as may be required. Records of all inspection, processing and test work by Seller will be kept complete and be made available to Purchaser during the effectiveness of this Agreement, the performance of any Orders hereunder and for such longer period as may be specified elsewhere in these Terms or in any such Order.
- (C) For Rolls Royce end use Good the following record retention requirements apply per RR9000 SABRe, Section 5: All Inspection and testing procedures, laboratory and other test records, heat treatment and processing records and inspection history will be retained until informed by Rolls Royce (via SIFCO correspondence) that Good has been withdrawn from use.
- (D) All Goods are subject to final inspection and acceptance by Purchaser at destination, notwithstanding any payment or prior inspection at Seller's point of shipment. The final inspection will be made within a reasonable time, not to exceed ninety (90) calendar days after receipt of the Goods. Purchaser may notify Seller if any Goods delivered hereunder are rejected, and such Goods may be returned to Seller at Seller's risk and expense at Purchaser's discretion.
- (E) Inspection and tests by Purchaser do not relieve Seller of responsibility for costs of additional testing or for defects or other failures to meet an Order's requirements discovered after acceptance. Sellers providing machining operations may be subject to first piece submittal to Purchaser for inspection acceptance. Seller will maintain inspection records for the balance of each lot, which will be made available to Purchaser upon request.
- (F) The Seller shall have an effective program for investigation, corrective action, and follow-up for rejections initiated by the Seller or Purchaser. When the Purchaser discovers discrepancies for which the Seller is responsible, the Purchaser may forward a request for corrective action to the Seller for action and response. The Seller's response shall be returned to the Purchaser within the requested time frame, and shall include

the causes of the discrepancy(s), the positive corrective action(s) taken to prevent recurrence, and the corrective action effective date.

- (G) In addition to all other remedies provided by these Terms and Conditions and by law, including Purchaser's right to claim any other damages and to require repair or replacement of nonconforming or defective Goods in its sole discretion, a \$450.00 charge for handling and re-inspection of all Goods which are found to be nonconforming or defective, may be charged to Seller. If the Goods are returned, all freight charges will be the responsibility of Seller. Further cost of any value added by Purchaser will be the responsibility of Seller if the item furnished is found to be nonconforming or defective after processing has begun.
- (H) The Seller will notify Purchaser in writing of any Good that may be defective or nonconforming as a result of Seller's processing. However, any such notice shall not be deemed to allow the shipping of nonconforming or deviated parts.
- (I) Raw material dimensional (size) tolerances provided as a supplement to these terms and conditions must be adhered to. Any variance or exception from these standards must be approved in advance by Purchaser in writing. In addition the following surface quality requirements apply to all bars and billets purchased by the SIFCO Forge Group: (i) condition all forging stock to minimize or eliminate all detrimental surface imperfections; (ii) the depth of grinding will not exceed 1/32 inch for each inch of dimension up to a maximum of 1/2 inch (iii) all conditioned areas will be blended; (iv) the width of blend will be at least 4x the depth of metal removed; (v) the surface finish of the bars/billets and ground areas will not exceed 500 RMS.
- (J) Under no circumstance is Seller permitted to use substitute material to replace defective Goods or to repair or rework them by welding or otherwise without Purchaser's prior written approval.
- (K) The Seller's software Quality Program in supply of item(s) in an Order will be in compliance with the provisions of the revision of DOD-STD-2168 "Defense System Software Quality Program" in effect at the date of an Order, as applicable.
- (L) The Seller is responsible for complying with quality system requirements noted herein and for meeting quality performance expectations. Failure to comply with quality system requirements or to achieve an acceptable quality performance level may result in an on-site audit or additional source inspection oversight being initiated by Purchaser, at Seller's expense. Purchaser reserves the right to debit Seller accounts to compensate for inspection or related activities that take place as a result of Purchaser directed inspections, including source inspections being by-passed by the Seller

12. **INSURANCE.**

- (A) Seller agrees to secure and carry as a minimum the following insurance covering all work to be performed under this Order:
 - (i) General liability insurance in which the limit of liability will be as follows:
 1. Bodily injury and property damage – each occurrence \$1,000,000;
 2. General aggregate limit (other than Goods and completed operations) - \$2,000,000;
 3. Goods and completed operations aggregate - \$2,000,000; and
 4. Personal injury and advertising injury - \$1,000,000.
 - (ii) Workers' Compensation insurance in which the limits of liability will be as follows:
 1. Workers' Compensation – statutory coverage;
 2. Employers' liability including Ohio Stop Gap - \$1,000,000;

3. Bodily injury \$1,000,000, each accident;
 4. Bodily injury by disease \$1,000,000, policy limit;
 5. Bodily injury by disease \$1,000,000, each employee;
- (iii) Commercial automobile insurance in which the limits of liability will be - \$1,000,000 each accident;
 - (iv) Commercial umbrella insurance in which the limits of liability will be - \$3,000,000 each occurrence/aggregate; and
 - (v) Contractual liability insurance sufficient in scope of coverage and amount (in Purchaser's reasonable discretion) to cover the liabilities herein assumed by Seller.
- (B) All such insurance will be issued by companies with a financial rating of at least A-6 and authorized to do business under the laws of the applicable governmental authority for the place in which Seller is located, will be in form satisfactory to Purchaser, and will contain a provision prohibiting cancellation except upon at least thirty (30) day's prior notice to Purchaser. All such insurance policies will be primary in the event of a loss arising out of Seller's performance of work. Certified copies of said policies or certificates of insurance setting forth the amount(s) of coverage, policy number(s) and date(s) of expiration of insurance maintained by Seller, naming Purchaser as an additional insured will be provided to Purchaser upon Purchaser's request within thirty (30) days after the date of an Order and within a reasonable time after any renewals or changes to such policies are issued. Any failure of Purchaser to request evidence of such coverage will in no way reduce or affect Seller's obligation to name Purchaser as an additional insured. Seller's purchase of appropriate insurance coverage or the furnishing of certificates of insurance shall not release Seller of its obligations or liabilities under this Order.

13. **WARRANTY.**

- (A) Notwithstanding inspection and acceptance by Purchaser of Goods furnished under an Order, Seller warrants that all Goods delivered under an Order will (A) be free from defects in material and workmanship; (B) be merchantable; (C) conform to applicable descriptions, specifications and drawings contained in an Order; (D) comply with all applicable federal, state, local and provincial laws and regulations; (E) be suitable for the purpose intended; and (F) convey good title to Purchaser and the Goods will be delivered free from any lien or encumbrance; and to the extent such Goods are not manufactured pursuant to detailed design by Purchaser, will be free from defects in design and fit for the intended purposes. Seller's warranties will be enforceable against Seller by Purchaser's customers, as well as Purchaser. The exercise of any remedy herein shall be without prejudice to any other right or remedy available to either party. Any Goods delivered under this Order not meeting all of the foregoing criteria are "**Defective Goods.**"
- (B) Upon its receipt of Defective Goods from Seller, to the extent such Goods do not conform to specification or the other warranties set forth in these Terms and Conditions, Purchaser may reject the Goods and return such rejected Goods to Seller, at Seller's expense repair, replacement or credit at Purchaser's option. If Purchaser elects to have the Defective Goods repaired or replaced, Seller shall do so as promptly as possible, but not later than twenty (20) days after Purchaser's notice thereof. Purchaser may offset from any amounts due to Seller the amount of actual freight charges incurred in shipping Defective Goods between Purchaser and Seller. Purchaser may perform any necessary repair to Defective Goods at its own facility and charge the reasonable cost thereof to Seller.

14. **BOOKS AND RECORDS.** Seller shall provide authorized representatives of Purchaser reasonable access to Seller's books, records and data that permits the adequate evaluation of cost data, direct materials, labor hours and incorporated rates used to arrive at the price of Goods or any of Seller's proposals for costs or prices pursuant to Sections 4(B), 6(B)(vi), 7(D) or 9. At Purchaser's request, Seller shall provide copies of collective labor agreements to which Seller is a party, if any, and Seller's audited company financial statements. Seller shall keep and maintain all books and records relating to the supply of Goods hereunder for at least seven (7) years or such longer time required by applicable law or specified in this Order.

15. **QUANTITY RECONCILIATION/ADJUSTMENTS.** All Goods shipped to outside process sources must be count verified by that source upon receipt of Goods. Any discrepancies in count must be reported to Purchaser, in writing, within two (2) calendar days of receipt and prior to outside source commencing work. Shortages that arise after the Goods have been processed will be the responsibility of Seller. All scrap Goods must be returned to Purchaser for verification. Failure to adhere to this procedure will result in adjustments to Seller's invoice.

16. **PAYMENT, DISCOUNT AND PRICES.**

- (A) Payment by Purchaser will be made net sixty (60) from the later of the following: (i) the date of acceptance of the Goods or (ii) from Purchaser's receipt of an invoice issued in conformance with the requirements of this Order. . Any payment discounts will be calculated from the same date. Discount terms will be clearly stated on the face of each invoice.
- (B) Seller warrants and represents that a Good's price in an Order does not exceed the contract price for the same or similar Goods to any other customer during the term of the Order. Seller guarantees that the price to be paid for the Goods will be quoted on the face of the Order. The price on the Order is not subject to any increase or additional charges because of increased costs, any change of law or any other reason.
- (C) Purchaser shall have the right of set-off of any amounts due from Seller to Purchaser hereunder against any payments due by Purchaser or at issue under this Order or any other Order or agreement between Purchaser and Seller. Purchaser may withhold from payment to Seller in an amount sufficient to reimburse Purchaser for any loss, damage, expense, cost or liability relating to Seller's failure to comply with any requirements of this Order or any other Order or agreement between Purchaser and Seller.

17. **INVOICING, PACKING AND SHIPPING.**

- (A) Separate invoices are required for each Order and must be sent to, at the time(s) specified on the face of this Order, or, if not specified, then the date of shipment, SIFCO Forge Group, Attn: Accounts Payable, 970 East 64th Street, Cleveland, Ohio 44103. Purchaser will only pay for Goods upon receipt of an invoice from Seller upon shipment that complies with this Section 15.
- (B) All invoices must be in English. Invoices for Goods must include the following:
 - (i) Purchase order number;
 - (ii) Seller invoice number and date;
 - (iii) Payment terms;
 - (iv) Purchase price and supporting detail as required by purchase order;
 - (v) Packing slip number;
 - (vi) Shipping date;
 - (vii) Name of Seller;
 - (viii) Billing name and address;
 - (ix) Delivery terms (*e.g.*, FOB, DDP);
 - (x) Complete description of the Goods, including name, line item number, part number, serial number, quantity, unit price, extended value, weights and measures and any other identify markings;
- (C) Invoices are to be the same unit of measure as listed in the Order. An invoice should not contain items ordered on more than one Order. Seller shall not combine shipments destined for different Purchaser facilities or destinations on the same Bill of Lading or in the same container.

- (D) Each Good container of each shipment will be identified with Order number, part number, and quantity of each part number. When multiple Orders or items are combined in one container, they must be separately packaged inside the container and the packages identified as to Order number, part number and quantity of each part number.
- (E) Separate packing lists are required for each Order and must accompany each shipment. The location of the packing slip must be clearly marked on the container. The complete Order number must appear on all shipping documents.
- (F) All Goods must be suitably packaged and prepared for shipment to withstand normal transportation and stocking functions. Containers and packaging used must be in compliance with best commercial practices and any special requirements indicated or referenced on the face of this Order.
- (G) Test reports, x-rays, certificates and other supporting documents must accompany each shipment when required by this Order.
- (H) Goods will be marked in such a manner as to be readily identifiable with the part number reflected on this Order. If applicable to this Order, kits, assemblies and all parts consisting of multiple Goods, that is, hardware, pins, gaskets, etc., must be unit packaged as a complete unit and so identified. If the Good is individually packaged, the package will be marked as a single unit of the part number. Single Goods too small to be separately packaged or identified will be separated into lots and tagged or bagged. Proper markings corresponding to the Order description and part number shall be applied to the tags and/or bags for handling and storage purposes.
- (I) Premium transportation will be paid by Purchaser only when specifically authorized by Purchaser. Seller will not prepay, insure or declare value of any shipment made F.O.B. shipping point. If delays caused by the Seller result in the need for expedited transportation, the additional costs for the expedited transportation is the sole responsibility of the Seller. All shipments entirely within the U.S.A. shall be F.O.B. Purchaser's specified destination and all international shipments shall be "Delivery Duty Paid" (DDP) (Incoterms 2000) Purchaser's specified destination, unless otherwise specified on the face of this Order.
- (J) When required by Purchaser, Seller will provide bar coded shipping labels with each shipment.
- (K) Each shipment shall include a certificate of origin and country of manufacture and a certificate of compliance stating that the Goods conform in all respects to their applicable warranties. Certificates must be signed by Seller's authorized quality representative
- (L) Seller to comply with shipping and routing instructions as shown on this Order.

Failure of an invoice to comply with any of the requirements of this Section 18 may result in a holdback in payment by Purchaser.

18. **DELIVERY.**

- (A) Seller shall be responsible for the Goods covered by this Order until they are received at the destination point specified on the face of this Order. If Goods are received more than five (5) business days ahead of specified schedule, Purchaser may either keep the Goods and make payment as if the delivery was made per the specified delivery or return the Goods to Seller at Seller's expense. The delivery dates contained in this Order are the dates that the Goods are required on dock at the specified destination.. .
- (B) Time is of the essence in performing this Order. Should Seller experience or anticipate any delay in performing this Order, Seller shall immediately notify Purchaser in writing of such delay, its expected duration, the reasons thereof, the action being taken to mitigate such cause of non-delivery and when on-schedule status will be regained. Neither such notification nor an acknowledgment by Purchaser shall constitute a waiver of this Order's specified delivery schedule or of any rights or remedies of Purchaser under this Order. The delivery schedule shall not be modified unless the parties do so in writing or as otherwise provided in Section 4. Seller shall be liable for any direct damages resulting from a delay in delivery, and Seller shall, at its expense, take whatever reasonable action is necessary, with or without Purchaser's

request, to meet such schedules as set forth herein or to recover to the maximum extent possible any delay in meeting such schedules. Such reasonable action by Seller shall include, but not be limited to, expedited shipment. Seller will not reserve a security interest in shipped Goods. Seller will have a responsibility for and expense of preparing and filing claims against carriers for loss or damage to the Goods in transit. Seller will follow Purchaser's written instructions as to mode and routing of shipments in addition to other rights and remedies provided in these Terms and Conditions. Purchaser may reject the Goods shipped contrary to instructions or not in recognized standard containers.

- (C) For shipments originating and/or terminating outside the United States, unless otherwise specified in the Order, all shipments which originate outside the United States and terminate in the United States or outside the United States will be delivered DDP, Purchaser's designated destination. The term "DDP" and the rights and obligations of Purchaser and Seller will be as defined by Incoterms 2000, the ICC Official Rules for the Interpretation of Trade Terms.
- (D) Partial shipments can only be made with Purchaser's written approval. If unapproved partial shipment is made, Purchaser, at its option may: (i) return item(s), (ii) and withhold invoice payment until the total order has been received or (iii) process the material and charge the Seller for any additional set-up cost incurred, plus \$500.00 for additional material handling and invoice processing.
- (E) A minimum and maximum weight tolerance is provided on each Order for raw material. All overages and underweight shipments of more than ten percent (10%) must be communicated to Purchaser prior to shipment for disposition. Failure to comply with this Order provision can result in over shipments being returned at Seller's expense.
- (F) Any delivery forecasts provided by Purchaser to Seller relative to an Order is for planning purposes only and will be provided without any obligation or liability on Purchaser's part. Such delivery forecasts will not relieve, modify, or otherwise alter Seller's obligations to meet the required delivery dates or quantity requirements set forth in this Order.

19. **ASSIGNMENT.** Except as provided in this Section 20, Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under this Order, this Order nor any interest herein nor any claim hereunder, without the prior written consent of Purchaser. Any purported assignment or delegation in violation of this Section 20 shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations under this Order. Purchaser may at any time assign, transfer or subcontract any or all of its rights or obligations under the Order without Seller's prior written consent.

20. **PUBLICITY; CONFIDENTIALITY.**

- (A) Seller shall not advertise or publicize without Purchaser's prior written consent, in any medium, including, without limitation, any print, broadcast, direct mailing, or any internet web site maintained by or for Seller, the fact that Seller is a supplier of Goods or services to Purchaser. Seller shall not, and shall cause its subcontractors, suppliers and agents not to, without Purchaser's prior written consent: (i) use Purchaser's name, photographs, logos, trademarks, or any other identifying information in any such medium; (ii) use (except to communicate with Purchaser or its affiliates) any internet domain names, metatags or electronic mail addresses containing "SIFCO Industries, Inc.," "SIFCO Forge Group," "SIFCO," or the name of any Good or service for which Purchaser owns the trademark; or (iii) provide a link to any domain name or internet address registered to Purchaser or any of its affiliates.
- (B) Seller and Purchaser shall treat all information exchanged between them related to this Order in accordance with any non-disclosure or confidentiality agreement between the parties effective as of the date of this Order, if such agreement exists. If no such agreement exists, then Seller agrees not to, without the prior written consent of Purchaser, (i) disclose any Purchaser Materials or other information provided by Purchaser to Seller in connection with this Order to any third party, except to the limited extent required by applicable law and then only pursuant to a protective order that provides suitable restriction on disclosure, or (ii) use any of the foregoing other than as strictly necessary to fulfill Seller's obligations to Purchaser under this Order.
- (C) Everything owned by Purchaser pursuant to Section 10 is the confidential information of Purchaser, whether or not marked as such and whether or not originating from Purchaser or Seller. Seller shall not use any such

Purchaser confidential information for any purpose other than fulfillment of Seller's obligations to Purchaser under this Order or any other order or agreement between Seller and Purchaser. Seller shall not, without the advance written consent of Purchaser, disclose such Purchaser confidential information to any person or entity other than Seller's employees having a need-to-know such information for the foregoing purpose.

21. **SETOFF AND WITHHOLDING.** Without prejudice to any other right or remedy it may have, Purchaser reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Purchaser to Seller. .
22. **DRAWINGS.** Seller may make no drawing changes without Purchaser's prior written approval. Seller will provide updated drawings to the new configuration with explanation as to how the changes incorporated differ from the previous configuration on all changes. Seller shall maintain a system for tracking all drawings and revisions thereto and shall make all drawings available to Purchaser upon request.
23. **DISPUTES.**
 - (A) In the event of any dispute arising in connection with this Order concerning any questions of law or fact, the parties agree to attempt to resolve the dispute in good faith for a period of thirty (30) days. In the event such dispute cannot be settled between the parties in that time, either party hereto may avail themselves to whatever remedies may be available to them at law or in equity in accordance with Section 27 of these Terms and Conditions.
 - (B) Pending final decision of any dispute or appeal hereunder, Seller will proceed diligently with the performance of the Order. If the dispute arises out of a difference in interpretation between the parties as to the performance requirements of the Order, then Seller will continue performance with the interpretation of performance as determined by Purchaser.
24. **ATTORNEY FEE.** If Purchaser brings a successful action or asserts a successful counterclaim for enforcement of these Terms and Conditions, Seller agrees that Purchaser will be entitled to an award of its reasonable attorney's fees and court costs associated with such enforcement or counterclaim proceedings.
25. **GRATUITIES.**
 - (A) Neither Seller nor any agent or representative of Seller shall offer or provide any gratuities to any employee of Purchaser (Purchaser may accept common courtesies, sales promotions, business related meals, entertainment, gifts or favors when the value involved is not significant and clearly will not place Purchaser under any obligation to Seller). Failure of Seller to honor this commitment may, at Purchaser's option, result in termination of one or more Orders per the Termination for Cause provisions under Section 7.
 - (B) Seller is prohibited from providing, offering, attempting to offer, soliciting, or accepting kickbacks. Seller shall have and follow procedures designed to prevent and detect possible violations, shall report in writing and telephonically any violation to Purchaser's senior management and shall cooperate fully with any Government agency investigating a possible violation.
26. **COMPLIANCE WITH LAWS.**
 - (A) Seller will comply with all applicable federal, state, provincial and local laws, executive regulations and orders, including, but not limited to, laws and regulations with respect to the protection of the environment, the U.S. Occupational Safety and Health Act of 1970 (OSHA) or the Canadian Hazardous Goods Act, as applicable to its activities conducted in connection with this Order. Seller hereby certifies that it will produce the Goods in compliance with all requirements of all such applicable laws and regulations. Seller will indemnify and hold Purchaser harmless to the full extent of any loss, damage or expense, including lost profit, attorneys' fees and court costs, for any failure or alleged failure of Seller to comply with the requirements of this paragraph. Furthermore, if the Goods purchased herein are considered toxic or hazardous under any law or regulation, Seller shall provide a copy of the Material Safety Data Sheet (MSDS) or equivalent under non U.S. law with each shipment or as otherwise specified on this Order.

- (B) [Seller hereby certifies that any Goods called for by an Order that are manufactured in the United States have been or will be produced in compliance with the Fair Labor Standards Act of 1938 (29 U.S.C. paragraph 201-219) and, insofar as applicable to this Order, the Walsh-Healy Public Contracts Act (41 U.S.C. paragraph 35-45) and the Work Hours Act of 1962 (40 U.S.C. paragraph 327-332), and any amendments thereto, as well as with the provisions of any other federal law with respect to labor relations, minimum wages and hours of employment, now in effect or hereafter enacted, and with any and all rules and regulations issued under each and every such act. Seller agrees that this certification may be considered as the certificate contemplated by the Amendment dated October 26, 2949, to the Fair Labor Standards Act of 1938.]

27. **INDEMNIFICATION.**

- (A) In addition to the other indemnification provisions set forth herein, Seller covenants and agrees to defend, indemnify, protect, and hold harmless Purchaser, its officers, directors, employees and agents and Purchaser's customers (collectively "**Indemnified Persons**") from and against any and all liability, claim of liability, allegation, judgment, cost, expense (including reasonable attorneys' fees), cause of action, loss, or damage whatsoever, including, without limitation, death or injury to any person or damage to any property, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**"), resulting from or arising out of or occurring in connection with the Goods purchased from Seller or Seller's negligence, willful misconduct, breach of the Terms and Conditions, breach of warranty, defect in design, material, workmanship or service, or strict liability. Seller shall not enter into any settlement without Purchaser's or Indemnitee's prior written consent. In the event Purchaser should bring an action for enforcement of this indemnification provision, Seller agrees that Purchaser shall be entitled to be awarded its reasonable attorneys' fees and costs if Purchaser prevails in such proceeding.
- (B) Seller agrees in any instance where any claims, suites, action or legal proceedings, are brought against Seller and in any way affect Purchaser's interest under an Order or otherwise, that:
- (i) Seller shall notify Purchaser in a timely manner (not to exceed five (5) business days) after learning of any actual or threatened claims, suits, actions or legal proceedings, and shall not at any time consummate any settlement without Purchaser's prior written consent;
- (ii) Without releasing any obligation, liability or undertaking of Seller to indemnify Purchaser hereunder, Purchaser shall have the right to:
1. Cooperate in the defense of such claim;
 2. With permission of the court, intervene in any such action; and
 3. Supersede Seller in the defense of any such claim.

28. **OCCUPATIONAL SAFETY AND HEALTH ACT.** [Seller certifies it is in compliance with the provisions of OSHA. If the Goods purchased herein are considered toxic or hazardous as defined in Section 1910.1000 of General Industrial Stands, two copies of the material safety data sheet must be submitted to Purchaser prior to shipment of the Goods.]

29. **APPLICABLE LAW AND VENUE.** These Terms and Conditions and an Order issued hereunder shall be governed by and construed exclusively under the laws of the State of Ohio, U.S.A. Both Purchaser and Seller hereby submit to the exclusive jurisdiction and venue the state and federal courts of competent jurisdiction in the State of Ohio in the County of Cuyahoga. Purchaser and Seller shall not challenge such jurisdiction and venue on any basis and waive their respective rights to do so.

30. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION.**

- (A) This Order incorporates by reference: (i) all provisions of 41 C.F.R. 60-1.4, as amended, pertaining to the equal opportunity clause in government contracts; (ii) all provisions of 41 C.F.R. 60-250, as amended,

pertaining to affirmative action for disabled veterans of the Vietnam Era; and (iii) all provisions of 41 C.F.R. 60-741, as amended, pertaining to affirmative action for handicapped workers.

- (B) Seller certifies that it is in compliance with all applicable provisions of 41 C.F.R.60-1, including but not limited to: (i) developing and presently having in full force and effect a written affirmative action compliance program for each of its establishments as required by 41 C.F.R. 60-1.40, as amended; (ii) filing EEO-1 Reports as required by 41 C.F.R. 60-1.7, as amended; and (iii) neither maintaining segregated facilities nor permitting its employees to perform services at segregated facilities as prohibited by 41 C.F.R. 60-1.8, as amended.
- (C) Purchaser requests that Seller adopt and implement a policy to extend employment opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, sex, religion, national origin, disability or any other legally protected characteristic.

31. **ETHICAL PRACTICES.** Seller will not recruit or induce Purchaser's employees whose area of direct responsibility is related to an Order to become employees of Seller during the term of an Order or for a period of two (2) years thereafter.

32. **PARTIAL INVALIDITY WAIVER.** If any provision of these Terms and Conditions or an Order hereunder, is or becomes void or unenforceable, the other provisions will remain valid and enforceable. Any waiver by Purchaser must be in writing, and waiver of one provision of these Terms and Conditions by Purchaser will in no way act as a waiver of any other provisions herein.

33. **GOVERNMENT CONTRACTS; REGULATIONS RELATING TO EXPORT/IMPORT OF GOODS AND TECHNICAL DATA.** If this Order contains a Government contract number, Federal Acquisitions Regulation Part 15 & 52 and Department of Defense FAR Supplement Part 252 are incorporated herein and made a part hereof to the extent that they apply to the Government contract and take precedent to the extent they conflict with any other terms herein.

- (A) The Goods and/or technical data provided under this Order may be subject to the provisions of the Export Administration Act of 1979 (50 U.S.C. 2401-2420) and the Export Administration Regulations (15 C.F.R. 768-799) promulgated thereunder; the Arms Export Control Act of 1976 (22 U.S.C. 2751-2779) and the International Traffic in Arms Regulations (22 C.F.R. 120-130) promulgated thereunder; the Regulations of the Office of Foreign Assets control of the US Treasury Department (31 C.F.R. 500-599) the Canadian Export and Import Permits Act (RS Chapter 17), and/or the US Foreign Corrupt Practices Act. The Parties acknowledge that the above-referenced statutes and regulations impose restrictions on import, export (and re-export or transfer to third countries) of certain categories of, and that licenses from the U.S. Department of State and/or U.S. Department of Commerce and/or Canadian Department of Foreign Affairs and International Trade may be required before Purchaser is permitted to provide technical data to Seller or before Seller is permitted to export Goods to Purchaser, and that such licenses may impose restrictions on use of such Goods and/or technical data. Seller shall comply with all applicable laws and regulations and any requirements of Purchaser with respect to the import, export and re-export of Goods and/or technical data. Prior to the first shipment of Goods to Purchaser, and otherwise upon Purchaser's request, Seller shall provide to Purchaser, in a form satisfactory to Purchaser, certification as to whether the Goods are subject to the International Traffic in Arms Regulations (22 C.F.R. 120-130) issued by the US State Department, together with a certification as to the applicable United States Munitions List category if such Goods are subject to the ITAR, or, if they are not so subject, a certification as to the applicable Export Control Classification Number (ECCN) of such Goods under the Export Administration Regulations of the US Department of Commerce. Seller shall, at its expense, obtain all necessary export licenses, approvals and authorizations required to export any Good. Prior to shipment of military Goods to Purchaser, Seller is to verify with Purchaser's Purchasing Representative that a valid, as is applicable, import or export license is in effect. Seller shall indemnify and hold Purchaser harmless to the full extent of any loss, damage, cost, expense or liability including lost profits, attorney's fees and court costs, for any failure or alleged failure of Seller to comply with such laws and regulations and for any false statements or material omissions by Seller with respect thereto including without limitation as to the import classification or export classification of Goods under applicable regulations.

- (B) Seller shall not export any technical data provided by Purchaser, without Purchaser's prior written consent.

34. **ITAR REQUIREMENTS.** Suppliers of goods and services to SIFCO Forge Group must meet International Traffic in Arms Regulations requirements as applicable. **ITAR LANGUAGE**
35. **CUMULATIVE REMEDIES.** The rights and remedies under this Order are cumulative and additional to and not in substitution for any other or further rights and remedies provided in law or in equity or otherwise.
36. **SURVIVAL.** Seller agrees that the Intellectual Property (10), Insurance (12), Warranty (13), Delivery (18), Publicity; Confidentiality (20), Setoff and Withholding (21), Gratuities (25), Compliance with Laws (26), Indemnification (27), Applicable Law and Venue (29), and Survival (37), of these Terms and Conditions and all provisions which relate to claims which may be made by Purchaser under these Terms and Conditions will survive and continue in full force and effect upon the termination of an Order.
37. **FORCE MAJEURE.** Neither Purchaser nor Seller shall be liable to the other for any delay, failure or default in the fulfillment of their obligations under these Terms and Conditions to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of the party charged with performance, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("**Force Majeure Event**"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strike, embargoes or industrial disturbances. During any such delay or default by Seller, Purchaser may elect to purchase the Goods elsewhere and, at Purchaser's sole option, apply such purchases to reduce the quantity of goods or services deliverable under any Order. Seller's economic hardship or changes in market conditions are not considered Force Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Order. If a Force Majeure Event prevents Seller from carrying out its obligations under the Order for a continuous period of more than thirty (30) business days, Purchaser may terminate this Order immediately by giving written notice to Seller
38. **NO WAIVER.** Purchaser's failure to seek remedy for any breach by Seller or Purchaser's failure to insist on performance of any of the terms or conditions herein or exercise any right or privilege hereunder will not thereafter be deemed a waiver for any such terms, conditions, or privileges or any other terms, conditions, or privileges whether of the same or similar type.
39. **A WRITING.** Any mention of a requirement of written notice or other requirement of a writing may be satisfied by an email or facsimile transmission, in addition to traditional mail service.
40. **GENERAL.**
- (A) If any provisions of this Order are deemed void or unenforceable, the parties desire that the other provisions shall remain valid and enforceable. Waiver of one or more provisions of this Order by Purchaser shall in no way act as a waiver of any other provision herein.
- (B) In the event of any inconsistency among the provisions of this Order hereunder, such inconsistency shall be resolved by giving precedence in the following sequence:
- (i) Provisions on the face of the Purchase Order that initiated this Order;
 - (ii) Any specifications, drawings or other documents incorporated by reference in such purchase order;
 - (iii) Any revisions thereto mutually agreed in writing;
 - (iv) Any applicable terms of any long-term supply agreement applicable to this Order and any amendments thereto;
 - (v) Any additions, deletion or modifications to these Terms accepted in accordance with Section 3; and
 - (vi) These Terms and Conditions.

- (C) Seller is an independent contractor in all its operations and activities under this Order. Seller is responsible for all obligations and reporting requirements covering social security, unemployment insurance, worker's compensation, income tax, and any other reports, payments or deductions required by local, state, or federal law or regulation in connection with its activities under this Order. Neither Party is granted, expressly or impliedly, any right or authority to create any obligation or liability on behalf of or in the name of the other party

- 41. **ENTIRE AGREEMENT.** These Terms and Conditions and an Order constitute the entire agreement between Purchaser and Seller and supersedes all prior representations and understandings, including oral and written agreements, course of performance, communications and negotiations between the parties with respect to the subject matter herein.