

SIFCO Industries, Inc.
SALES TERMS AND CONDITIONS
Effective November 2019

1. THESE TERMS AND CONDITIONS ("Terms and Conditions") govern the sale of goods, from time to time, by SIFCO Industries, Inc. ("Seller") to "Purchaser" (as defined in each purchaser order that Purchaser delivers to Seller (a "PO") pursuant to a PO. These Terms and Conditions, together with the terms of each applicable quotation and order confirmation delivered by Seller to Purchaser in response to one or more specified POs (a "Quotation" or "Confirmation," as the case may be) constitutes the sole and entire agreement (this "Agreement") of the parties to this Agreement (such parties being sometimes referred to in this Agreement collectively as the "Parties").

The Parties hereby acknowledge and agree that:

(A) The terms of this Agreement hereby incorporate by reference each applicable Quotation and Confirmation and the Parties intend to incorporate such terms into this Agreement, to be bound by such terms, and confirm that they have not objected to any such terms;

(B) The terms of this Agreement hereby supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of this Agreement;

(C) This Agreement expressly limits Purchaser's acceptance to the terms of this Agreement, and that the terms of this Agreement prevail over any terms and conditions contained, without limitation, in any other documentation and expressly exclude any of Purchaser's general terms and conditions of sale, POs or any other document issued or delivered by or on behalf of purchaser in connection with the subject matter of this Agreement.

2. PRICES. Prices quoted herein are based on current costs of material and labor, and if any changes occur in such costs at any time before shipment, prices may be adjusted by us proportionately to such changes in cost - unless prices have been specifically agreed to in writing as firm-fixed for the duration of the order. If the prices should be increased by Seller before delivery of the forgings or other goods (collectively, "Goods") to a carrier for shipment to Purchaser, then this Agreement shall be construed as if the increased prices were originally inserted herein, and Purchaser shall be billed by Seller on the basis of such increased prices.

3. TAXES. Prices are exclusive of all sales, use, or excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by Purchaser under this Agreement. Any such taxes, duties, and charges currently assessed or which may be assessed in the future, that are applicable to the sales made under this Agreement are for Purchaser's account, and Purchaser hereby agrees to pay such taxes.

4. PAYMENT. Terms of payment for forgings shall be net thirty (30) days, FOB point of shipment, unless otherwise established by the Seller in writing or unless for any reason Seller requires payment upon shipment. Preparation charges for Tooling (as defined in Paragraph 6), when invoiced separately, shall, unless otherwise agreed by the Parties, be payable upon completion of the Tooling. Payments are to be made in United States funds, unless otherwise specifically stipulated in writing. Seller has the right to require Purchaser to pay interest at a rate of 1.5% per month, 18% per year, calculated on a 360-day basis (to the extent permitted by law) on all delinquent balances. Purchaser agrees to reimburse Seller for any attorney's fees or court costs in connection with Seller's collection of any amounts due to Seller by Purchaser.

5. DRAWINGS. Forging design and specifications will be submitted by Seller for approval by Purchaser prior to actual production.

6. PREPARATION CHARGES. Preparation charges are those required for the initial production of the forgings, including casts of jigs, dies and other non-recurring tooling manufactured or delivered by or on behalf of Seller ("Tooling"). The Parties agree and acknowledge that Seller maintains sole and exclusive ownership and possession of Tooling at all times, and that the payment of any such charges to or on behalf of Seller does not convey any title or the right of possession to the Tooling to Purchaser or any other person or entity. If Purchaser pays for or otherwise reimburses Seller for Tooling, Seller will use such Tooling solely to produce products for Purchaser pursuant to this Agreement. If for two (2) consecutive years, Purchaser places no orders for Goods to be produced using the Tooling, Seller may, by written notice to Purchaser at Purchaser's last known address, notify Purchaser of Seller's intent to dispose of such Tooling. If Purchaser fails to place an order within thirty (30) days of such notice, Seller may dispose of the Tooling in its sole discretion without liability to Purchaser.

7. RESEARCH AND DEVELOPMENT. IF SELLER PROVIDES GOODS OR SAMPLES FOR DEVELOPMENT, TESTING, OR RESEARCH, SELLER MAKES NO WARRANTIES OF ANY KIND OR NATURE FOR SUCH GOODS AND EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. ALL GOODS PROVIDED FOR PURPOSES OF THIS SECTION ARE PROVIDED "AS IS." ADDITIONALLY, PURCHASER SHALL INDEMNIFY AND HOLD HARMLESS SELLER FROM ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LAWSUITS FOR ANY REASON RELATED TO THE GOODS PROVIDED PURSUANT TO THIS SECTION, INCLUDING PAYMENT OF ATTORNEYS' FEES.

8. TOLERANCES. Unless otherwise mutually agreed in writing, Seller reserves the right to produce and ship in one lot the exact quantity which may be ordered, minus the underrun, or plus the overrun, according to the Table of Quantity Tolerances contained in the publication, "*Tolerances for Impression Die Forgings*," latest edition, as issued by the Forging Industry Association, which is hereby incorporated herein by reference thereto and made a part hereof. Applicable dimensional tolerances are also as specified in the said publication. Unless otherwise mutually agreed in writing, forgings will be furnished with a natural forged surface and without machine work. **CONSIDER INCLUDING TOLERANCES TABLE AT END**

9. DELAYS. Seller shall use reasonable efforts to meet estimated shipping dates provided by Seller. All orders are accepted by Purchaser and Seller shall not be liable for damages for a partial or incomplete shipment of or any added expenses incurred by Seller because of Purchaser's delay furnishing requested information to Seller, delay resulting from order changes by Purchaser, or delay in unloading shipments at delivery point. Orders shall not be subject to cancellation for delay.

10. SHIPMENT. Shipment of material to Seller shall be designated freight prepaid and shipments made by Seller shall be designated freight collect. Unless expressly agreed to by the Parties in writing, Seller shall select the method of shipment of, and the carrier for, the forgings. Purchaser is responsible for all shipment charges and expenses. The foregoing includes, but is not limited to carrier's charges and notification prior to delivery, demurrage, delay in unloading, diversion or reconsignment. Such charges as may occur in the tariff freight rates or transportation charges, after date of quotation or sale and on or prior to dates of shipment, will be for account of and borne by Purchaser. Seller may make partial shipments and may invoice for each partial shipment separately and accordingly. Delay in delivery of any partial shipment will not relieve Purchaser of its purchase obligation of any remaining shipments.

11. TITLE; RISK OF LOSS. Title of, liability for, and risk of loss for Goods sold hereunder shall pass to Purchaser at Seller's F.O.B. facility.

12. IN TRANSIT CLAIMS. Purchaser acknowledges and agrees that Purchaser is:

(A) the owner of, liable for, and bears the risk of loss with respect to, all Goods sold hereunder in accordance with Paragraph 11 hereof;

(B) responsible for timely making all claims against the carrier for damage or shortage in transit, and Seller has no such responsibility; and

(C) responsible to timely inspect shipments before or during unloading in order to identify any such damage or shortage and ensure that appropriate notation is made on the delivery tickets or inspection report furnished by the local agent of the carrier in order to support a claim.

13. INSPECTION, ACCEPTANCE, AND REJECTION. Purchaser agrees to inspect, accept, or reject goods provided hereunder within ten (10) days of receipt of the goods. Failure to reject within ten (10) days shall be deemed acceptance.

14. CANCELLATION AND RESCHEDULING. Purchaser shall not reschedule, put on hold, cancel, or terminate any order, in whole or in part, without prior written consent of Seller. If Seller agrees to cancellation or rescheduling, additional terms and charges may apply, including reimbursement of Seller's reasonable expenses and administrative costs incurred in connection with such cancellation or modification.

15. PATENT AND INTELLECTUAL PROPERTY INFRINGEMENT; INDEMNIFICATION. No liability will be assumed by Seller for the infringement of any patent or other intellectual property rights asserted because of the nature, structure or use of any Goods ordered by Purchaser, and Purchaser shall indemnify and hold Seller and Seller's affiliates harmless from all claims for loss or damage, and from all court costs, attorney's fees and other expenses paid or incurred by or imposed upon Seller or affiliates in connection with the defense of any action brought against Seller by reason of any infringement or other claims asserted against Seller or by reason of Seller's performance under this Agreement. Upon request by Seller, Purchaser will undertake, at Purchaser's sole cost and expense, to defend any such action that may be brought against Seller.

16. WARRANTY, LIMITS OF WARRANTY, CLAIMS. Seller warrants that forgings will be made in conformity with Purchaser's specifications as submitted to Seller within the applicable tolerances for quantity, size and shape as indicated thereby or, in the absence of such indication, as specified in the publication, "*Tolerances for Impression Die Forgings*," latest edition, as issued by Forging Industry Association. Such forgings will be free of defects in material or in workmanship. Seller's obligation hereunder being expressly limited to repair or replacement, at Seller's sole cost, of defective forgings, or, at Seller's option, the repayment of the purchase price upon their return. This shall constitute Purchaser's sole and exclusive remedy. Purchaser will notify Seller in writing of any forgings which do not conform to this warranty within forty-eight (48) hours of discovery but not later than thirty (30) days after their delivery, and if Purchaser should fail to give such notification, claims for breach of warranty, if any, shall be waived. **THERE IS NO WARRANTY THAT THE FORGINGS WILL BE FIT FOR ANY PARTICULAR PURPOSE EXCEPT TO THE EXTENT, IF ANY, SPECIFICALLY STATED IN THIS AGREEMENT, NOR IS THERE ANY OTHER WARRANTY AS TO MERCHANTABILITY OR OTHERWISE, EXPRESSED OR IMPLIED, EXCEPT SUCH AS IS EXPRESSLY SET FORTH HEREIN. EXCEPT FOR THE EXPRESS WARRANTIES CONTAINED HEREIN, THE GOODS SOLD, AND ANY RELATED SERVICES PERFORMED, UNDER THE TERMS OF THIS AGREEMENT ARE SOLD AND PERFORMED "AS IS", AND TO THE FULLEST EXTENT PERMITTED BY LAW, SELLER EXCLUDES ALL OTHER EXPRESS AND IMPLIED TERMS, CONDITIONS, WARRANTIES OR REPRESENTATIONS REGARDING THE SERVICES AND DELIVERABLES ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY IMPLIED TERMS OF MERCHANTABILITY, SATISFACTORY QUALITY, REASONABLE SKILL AND CARE AND FITNESS FOR A PARTICULAR PURPOSE. PURCHASER ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY SELLER, OR ANY OTHER PERSON ON SELLER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED HEREIN. PURCHASER HEREBY INDEMNIFIES SELLER FROM ALL LIABILITY FOR DAMAGE OR INJURY TO ANY PERSON OR FIRM RESULTING FROM ANY DESIGN OF A PART MANUFACTURED BY SELLER FOR PURCHASER PURSUANT HERETO. ANY ACTION FOR BREACH OF THIS WARRANTY OR OTHER ACTION HEREUNDER MUST BE COMMENCED WITH ONE (1) YEAR AFTER SUCH CAUSE OF ACTION ARISES OR IT SHALL BE THEREAFTER BARRED.**

17. LIMITS OF LIABILITY. SELLER'S TOTAL LIABILITY FOR ANY CLAIM OF ANY TYPE WHATSOEVER IN CONNECTION WITH THESE TERMS AND CONDITIONS SHALL BE LIMITED TO PROVEN DIRECT DAMAGES AND WILL NOT EXCEED THE AMOUNT OF IMPACTED FORGINGS ACTUALLY PAID BY PURCHASER UP TO THE ONE (1) YEAR PERIOD PRECEDING THE DATE OF LIABILITY. SELLER SHALL NOT BE LIABLE IN CONTRACT LAW, TORT, OR ANY OTHER THEORY OF LAW, FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL, EXEMPLARY, EXTRA-CONTRACTUAL, OR CONSEQUENTIAL DAMAGE PERTAINING TO THE PRODUCTS OR EQUIPMENT COVERED BY THESE TERMS AND CONDITIONS OR ANY APPLICABLE SERVICES AGREEMENT OR STATEMENT OF WORK. NOR WILL SELLER BE LIABLE FOR LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF BUSINESS, LOSS OF USE, COST OF CAPITAL, COST OF SUBSTITUTED FACILITIES OR EQUIPMENT, OR SERVICE DOWN-TIME COSTS.

18. GOVERNMENT REGULATIONS. Seller will comply with all federal, state and local laws and governmental regulations necessarily applicable to any purchase order given pursuant to this Agreement. This Agreement is based also upon compliance with the Fair Labor Standards Act of 1938, as amended. Seller recognizes the necessity for giving access to its books of account to authorized Government agents in connection with the sale of forgings and also recognizes the requirements of the Renegotiations Act of 1945, as amended, as well as the requirements of the Termination Act when applicable or required, but considers the giving of cost breakdowns other than weight under DMS Regulation No. 1 with or in connection with quotations on supply contracts not to be required.

19. STORAGE, PACKING, SPECIAL SERVICES. Palletizing, storage, packing, cartage, oiling, heat-treating, or painting, and similar processes and services are not contemplated herein and will bear an additional charge.

20. DEFERRED DELIVERIES. Deferred deliveries are subject to Seller's approval. Should Purchaser for good and sufficient cause request that deliveries be delayed and Seller approves, it shall be acceptable on the following conditions only:

- (A) If no release has been given by the Purchaser at the end of thirty (30) days from receipt of such request, Seller reserves the right to render invoice and make shipment of the completed portion of order to the destination specified in Purchaser's order, and also to submit to Purchaser invoice for approximate value of steel or other raw material purchased and delivered to Seller in anticipation of production; and
- (B) If no release has been given by Purchaser at the expiration of ninety (90) days from receipt of such request, Seller reserves the right to declare the order cancelled on the terms set forth in Paragraph 13.

21. FORCE MAJEURE. Seller shall not be liable or responsible to Purchaser, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including, without limitation: (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages, or slowdowns or other industrial disturbances; and (i) shortage of adequate power or transportation facilities (each a "Force Majeure Event"). In the event that any Force Majeure Event causes Seller's delay in or prevents Seller's performance of this contract until a date beyond that contemplated for performance, and if Seller thereby incurs expenses, loss or damage, there shall be a reasonable increase in the contract price to cover such added expense, loss, or damage.

22. WAIVERS, ALTERATIONS, AND MODIFICATIONS. No waiver, alteration or modification of the terms and conditions hereof shall be binding on Seller unless in writing and signed by the Seller's authorized representative.

23. INTELLECTUAL PROPERTY. Unless expressly agreed otherwise by the parties, Seller shall have and retain exclusive intellectual property rights to all "Results", (as hereafter defined), obtained by Seller prior to as well as during execution of the Agreement. The term "Results" includes, without limitation, results of studies, developments, improvements, and services obtained or provided in accordance with execution of the Agreement, such as all inventions, documents, software, materials (samples, outlines, prototypes, etc.), information, data and specific know-how, whether or not technical. Purchaser commits itself to taking all measures needed to prevent infringement, whether directly or by third parties, of Seller's intellectual property rights in said Results, and to affix such markings as may be specified by Seller upon such documents or materials comprising or included in said Results, to the exclusion of any other marking including its own.

24. INTELLECTUAL PROPERTY RIGHTS. Unless expressly agreed otherwise in this Agreement, delivery of forgings shall not be deemed to convey to Purchaser any license to Seller's intellectual property rights. Purchaser commits itself to take all measures needed to prevent infringement, whether directly or by third parties, of Seller's

intellectual property rights, and to affix such markings as may be specified by Seller upon documents and materials which refer to our property, to the exclusion of any other marking including its own.

25. NO CONFIDENTIALITY. Except to the extent expressly agreed to in a separate documents, no confidentiality provisions or obligations apply to, or binds, either of the Parties.

26. SEVERABILITY. If individual provisions of this Agreement are determined to be void, invalid, illegal, or unenforceable by any court or tribunal having jurisdiction, in whole or in part, the remaining provisions of this Agreement shall remain in full force and effect. Upon a determination that any term or provision is void, invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

27. LAW; VENUE; PERSONAL SERVICE. This Agreement shall be governed by and shall be construed by the laws of the State of Ohio. The parties agree and consent to the exclusive jurisdiction of the federal and state courts located in Cuyahoga County, Ohio, and each party further consents to personal service in connection with any action brought in any such court. FOR ALL SERVICES PROVIDED IN THE STATE OF OHIO, PURCHASER HEREBY AGREES THAT SELLER MAY, AT ITS SOLE DISCRETION, HOLD PURCHASER'S MATERIALS AS COLLATERAL FOR THE NON-PAYMENT OF UNPAID CURRENT OR PRIOR INVOICES UNTIL SUCH ACCOUNT OF PURCHASER IS MADE CURRENT AND NEITHER THE EXTENSION OF CREDIT NOR THE COURSE OF BUSINESS BETWEEN THE PARTIES SHALL BE DEEMED A WAIVER OF ANY STATUTORY OR OTHER LIEN RIGHTS UNDER OHIO LAW.

28. WAIVERS; AMENDMENTS. Waiver by Seller of any breach of this Agreement shall not be construed as a waiver of any other such breach. Seller may amend or modify this Agreement upon written notice to Purchaser.

29. BANKRUPTCY. Purchaser shall notify Seller in writing (i) upon the institution by or against Purchaser of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Purchaser's debts, (ii) upon Purchaser making an assignment for the benefit of creditors, or (iii) upon Purchaser's dissolution or ceasing to do business.

30. INDEPENDENT CONTRACTOR. Seller is acting as an independent contractor under this Agreement. Neither party is, or shall be deemed for any purpose to be, an employee or agent of the other and neither party shall have the power or authority to bind the other party to any contract or obligation. Seller retains the right to perform work for others during the term of this Agreement.

31. COMPLIANCE WITH EXPORT LAWS; FOREIGN CORRUPT PRACTICES ACT. Purchaser agrees to comply will all U.S. export, import and anti-boycott laws and with the United States Foreign Corrupt Practices Act. Purchaser agrees not to, and agrees to inform its customers in writing that they may not sell, market, export, transfer, or re-export equipment (including software with encryption), services, technical data or technology to any restricted country or to any company, individual or governmental entity listed in the Table of Denial Orders published from time to time by the U.S. Government (called denied parties). If it lawfully exports any Equipment or Services, Purchaser will be the exporter of record and will obtain any licenses or authorizations from the U.S. Department of Commerce or the U.S. Department of State required for the export or re-export of any Equipment or Services (or encrypted products), technical data or technology. Purchaser agrees that its employees and agents will not offer, pay, promise to pay, give or promise to give any money or anything of value, directly or through third parties, to any government official, political party, political official, candidate for political office or to any other person, while knowing or having reason to know that all or a portion of such money or thing of value will be offered, paid, given or promised, directly or indirectly, for purposes of influencing any act or decision of any of the foregoing persons or entities or inducing any of the foregoing persons or entities to use his, her or its influence with a government entity or instrumentality to affect or influence any act or decision of such government entity or instrumentality. Purchaser agrees to indemnify, defend and hold harmless Seller and its suppliers from all losses, claims and damages incurred (including, but not limited to, attorneys' fees, court costs, and costs of investigation and defense) by Seller and its suppliers because of Purchaser's failure to comply with this Paragraph 31.