



653 Miner Road  
Cleveland, Ohio 44143  
Phone: 440-684-3000  
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www.alloybellows.com

# Standard Supplier Terms and Conditions

**1. Goods and services** - The goods and services described in this Purchase Order (the "PO") are provided by Supplier subject to the following terms and conditions. Supplier agrees to be bound by and to comply with all such conditions. Other terms and conditions are not binding upon Alloy Bellows, unless accepted in writing.

**2. Purchase price and terms of payment** - All payments are made in United States funds or as otherwise specified. All prices shown in this PO are firm and are not subject to adjustment. Alloy Bellows pays the Supplier net 30 days unless otherwise specified.

**3. Method of shipment or packing** - Unless otherwise specified in the P.O. or supporting specifications Goods are packaged in a manner which assures that they are protected against deterioration, contamination and damage. All goods are delivered to the F.O.B. point specified in the PO. Title and risks remain with Supplier until delivery.

**4. Inspection and rejection** - The goods and services furnished are exactly as specified in the PO and supporting drawings and specifications. They are free from all defects in design, workmanship and materials. The goods and services are subject to inspection and test by Alloy Bellows at any time and place including the Suppliers manufacturing facility. If the goods and services furnished are found to be defective, Alloy Bellows may reject them, or require Supplier to correct or replace them without charge, or require a reduction in price which is equitable under the circumstances. If Supplier is unable or refuses to correct or replace such items within a time deemed reasonable by Alloy Bellows, Alloy Bellows may terminate this PO in whole or in part. Supplier bears all risks as to rejected goods and services. Supplier reimburses Alloy Bellows for all transportation costs, other related costs incurred, and overpayments in respect of the neglected goods and services.

**5. Changes** - Alloy Bellows may make changes to this PO including to drawings and specifications for specially manufactured goods, place of delivery, by giving notice to Supplier. If such changes affect the cost of or the time required for performance of this PO, an equitable adjustment in the price or date of delivery or both will be made. No change by Supplier is allowed without written approval of Alloy Bellows. Any claim of Supplier for an adjustment under this Article must be made in writing within thirty (30) days from the date of receipt by Supplier of notification of such change. Nothing in this Article excuses Supplier from delivering the goods and services described in this PO, and in accordance with this PO, including price and delivery.

**6. EXPORT REGULATIONS:** Seller agrees to comply with the U.S. Export Administration Act, 50 USC 2401-2420, including the Export Administration Regulations, 15 CFR 730-774 ("EAR"); and the U.S. Arms Export Control Act, 22 USC 2751-2780, the International Traffic in Arms Regulations, 22 CFR 120-130 ("ITAR"); including, but not limited to, 22 CFR part 122 entitled "Registration of Manufacturer and Exporter", 22 CFR part 129 and 22 CFR part 130 entitled "Political Contributions, Fees and Commissions." In the event Seller is supplying defense articles hereunder, Seller agrees to maintain a valid and current Directorate of Defense Trade Controls ("DDTC") registration. Seller shall provide its ODTA registration status (whether registered or not, with expiration date to Seller and promptly advise Seller of any updates or changes to such information, in the format requested by Seller. With respect to defense articles and services furnished hereunder, Seller certifies that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise to secure the sale of defense articles and services to or for the use of the armed forces of an international organization or non-U.S. Country, any (i) fees or commissions in excess of \$1,000 or (ii) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. person or entity. Also, including the Regulations of the Office of Foreign Assets Control of the U.S. Treasury Department, 31 CFR 500-599; the Regulations of the Bureau of Alcohol, Tobacco, and Firearms, 27 CFR 447-555 ("ATF"); 10 CFR 110 the Regulations of the Nuclear Regulatory Commission ("NRC"); the Homeland Security Act of 2002, including the U.S. Customs and Border Protection Regulations, 19 CFR 1-199 ("CBP"); as well as any applicable export or import requirements of other jurisdictions regardless of whether of U.S. or non-U.S. origin.

**Foreign Personnel.** Seller shall not give any Foreign Person access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Purchaser. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Purchaser may reasonably request. No consent granted by ALLOY BELLOWS & PRECISION WELDING, INC. in response to Seller's request under this paragraph shall relieve Seller of its obligations to comply with the provisions of this paragraph or the United States Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph 3.2.3, nor constitute consent for Subcontractor to violate any provision of the Export Laws and Regulations.

**Indemnification.** Seller shall indemnify and save harmless ALLOY BELLOWS & PRECISION WELDING, INC. from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys' fees, arising out of claims, suit, allegations or charges of Seller's failure to comply with the provisions of export regulation clauses and breach of the warranty set forth in paragraph 3.2.3. Any failure of Seller to comply with the requirements or any breach of the warranty contained in export regulation clauses shall be a material breach of this contract.

**7. Warranty** - Supplier warrants to Alloy Bellows that goods supplied under this PO are free from defects in material, workmanship and design, suitable for the purposes intended or implied, in compliance with all applicable specifications and free from liens or encumbrance on title. All services are performed in accordance with current, sound and generally accepted industry practices by qualified personnel trained and experienced in the appropriate fields.



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**8. Confidentiality** - In the performance of the services, the Supplier and its subcontractors, if any, may have access to confidential information (hereinafter referred to as the "Confidential Information") which Alloy Bellows must protect from disclosure pursuant to the Act respecting access to documents held by Public Bodies and the protection of personal information. The Supplier undertakes to hold all of the Confidential Information it receives in strict confidence and neither to disclose or release in any manner such Confidential Information to any third party nor to use such Confidential Information for any other purpose than the one for which Alloy Bellows has disclosed same; to disclose Confidential Information only to those of its employees or agents who need to know such Confidential Information for the said purpose. The Supplier warrants that such employees or subcontractors are obligated to and will hold Confidential Information in strict confidence and to take all reasonable measures to ensure that confidentiality is respected. The Supplier shall indemnify and hold harmless Alloy Bellows, its officers, directors and employees from and against any and all liabilities, claims, suits, demands, disputes, recourses, damages and expenses including, without limitation, any recourses including reasonable legal fees arising from any and all claims in respect of, or resulting from, the use or the disclosure of Confidential Information by the Supplier, its employees or sub-contractors.

**9. Assignment and Subcontracting** - This PO is assignable by Alloy Bellows. Seller shall neither assign (by contract, operation of law or otherwise) its rights or interests under the Order, nor delegate or subcontract any of its duties, obligations or performance under the Order without the prior written consent of Buyer. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under the Order.

**10. Access** - Right of access by Alloy Bellows, our customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

**11. Requirement to Notify** - The Supplier shall notify Alloy Bellows of changes in product and/or processes, including all non-conforming product or processes, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval. The supplier shall:

- notify the organization of nonconforming product,
- obtain organization approval for nonconforming product disposition,
- notify the organization of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval, and
- flow down to the supply chain the applicable requirements including customer requirements,

**12. Default** - A party is in default of its obligations under this PO if any of the following events occur, namely:

- a. such party is adjudged bankrupt or insolvent by a court of competent jurisdiction, or otherwise becomes insolvent, as evidenced by its inability to pay its debts generally as and when they become due; or
- b. such party is in default of its obligations hereunder and fails to cure such default within thirty days of written notice from the other party, or if such default cannot be cured within thirty days, within such longer period as may be reasonable, provided the defaulting party commences promptly and diligently proceeds with curing the default.

Upon the occurrence of any of the above events, the party not in default may, by written notice to the defaulting party, terminate this PO without prejudice to any other right or remedy available to it at law and without liability for such termination. Neither the Supplier nor Alloy Bellows shall be liable to the other for indirect damages, for loss of profit or for damages arising from loss of use or production.

**13. Termination** - This PO may be terminated or suspended by Alloy Bellows in whole or in part. Alloy Bellows then delivers to the Supplier a written notice specifying the extent to which performance and/or the deliveries of goods and services under this PO is terminated and/or suspended and the date upon which such action shall become effective. In the event of such action, Alloy Bellows shall pay Supplier for the goods and services satisfactorily provided to the effective date of termination or suspension. In this case, Supplier may submit a proposal to Alloy Bellows for equitable increase in the prices to account for costs of demobilization and direct termination expenses. The termination of this PO shall discharge any further obligations of either party.

**14. Force Majeure** - Supplier shall not be liable for default or delay due to causes beyond Supplier's reasonable control and without fault or negligence on the part of Supplier. The Supplier gives Alloy Bellows prompt notice in writing when any such cause appears likely to delay deliveries and/or performances of services and takes appropriate action to avoid or minimize such delay. If any such default or delay threatens to impair Supplier's ability to meet delivery requirements for its material, supplies and services, Alloy Bellows shall have the right, without any liability to Supplier, to cancel the portion or portions of this PO so affected. Alloy Bellows shall not be liable for default or delay in the performance of its obligations due to cause beyond its reasonable control.

**15. Governing Law** - The Order shall be governed by Ohio law. Venue in any lawsuit arising out of any Order shall lie exclusively in State and Federal courts in the State of Ohio of the United States of America. Seller consents to the jurisdiction of the courts of the State of Ohio.