



**PURCHASE ORDER
STANDARD TERMS & CONDITIONS**

- 1) Alcoa Howmet, a division of Alcoa Power and Propulsion ("Howmet"), reserves the right to cancel any portion of this order not shipped up to the date of its cancellation notice, in the event that it shall reasonably determine that another vendor can provide such or similar merchandise to it at a price lower than that provided herein and the Seller hereunder is unwilling to reduce its price hereunder promptly to meet such competitive price. Unless otherwise specified, this order is for immediate shipment. In addition, if Seller shall breach any provision of this purchase order, including but not limited to delivery on the date or dates specified, Howmet reserves the right to cancel this purchase order in whole or part without cost to it. Time shall be of the essence of this order.
- 2) No charges of any kind, including charges for boxing and cartage, will be allowed, unless specifically agreed to by Howmet in writing. However, Seller shall be responsible for packing and packaging necessary to withstand transportation hazards. Price is to cover net weight unless otherwise agreed. Packaging requirements for shipments on commercial bills of lading must meet commercial standards and accepted practices of the industry with full protection of the material to ultimate destination, and must conform to governing classifications including, but not limited to: i) the Uniform Freight Classification, for rail; ii) the National Motor Freight Classification, for truck; iii) the Railway Express Classification, for express; iv) the U.S. Official postal manual, for parcel post; v) the Official Air Freight Rules Tariffs, for air freight.
- 3) Seller shall follow such routing instructions as Howmet may furnish it, and in the absence of such instructions, Seller shall ship the cheapest and best way. The articles ordered hereunder shall remain at Seller's risk until they are received at Howmet's factory.
- 4) Unless otherwise provided on the face hereof, Seller shall be responsible for any and all local, state or federal tax or other government charges or duties upon the production and/or transportation of the articles ordered hereunder, including any increases in any of the above and including, without limitation, sales taxes.
- 5) All specifications, drawings, samples, models, tools, materials, parts, dies, molds, products, test or inspection equipment, patterns, plates, art work, layouts, engravings, forms, proofs, advertising copy, technical information and data (hereafter "Materials") furnished hereunder by Howmet or by Howmet's customer, any intermediate customer, or the ultimate customer for the finished product incorporating the materials or articles delivered hereunder (hereafter "Furnishing Party"), shall be used exclusively in the manufacture of materials or articles ordered by or to be delivered to Howmet or the Furnishing Party, shall be plainly marked or otherwise identified as "Property of [the Furnishing Party]" and shall be delivered to the Furnishing Party upon its request without further costs other than packing and shipping, and all information in such Material shall be kept confidential. Seller shall bear the risk of loss of all property of Howmet or any other Furnishing Party while in Seller's custody or control and while in the custody or control of Seller's suppliers, and shall maintain insurance covering the replacement cost with loss payable to Howmet.
- 6) Seller warrants that the articles to be delivered hereunder will be

in full conformance with the specifications, descriptions, drawings and samples (including standard specifications pertaining to the ordered material maintained by Howmet); fit and suitable for the purpose for which they will be used; merchantable; free of any and all defects in materials and workmanship; and, except to the extent specifically covered by Howmet's specifications, free of any and all defects in design. Where the end use of the articles has been specified, tolerances shall be in accordance with those prevailing for such end use. It shall be Seller's responsibility to use any such tests, in addition to those specified, which may be necessary in order to assure compliance of the material with applicable specifications. Warranties specified herein shall be in addition to all warranties implied by law. All warranties shall survive the acceptance of the payment for articles delivered hereunder, and Seller agrees to hold Howmet harmless from any loss, damage or expense (including attorney's fees in any action, proceeding or investigation involving the Seller or third parties) which may be incurred or sustained by Howmet by reason of a breach of any warranty contained herein. Howmet reserves the right to have rejected material replaced by Seller or not, at Howmet's option, or to obtain material in accordance with specifications from other sources and charge Seller for any difference in cost. Goods rejected on account of inferior quality or workmanship, or shipped contrary to instructions, or in excess of the quantity specified, or substituted for items ordered, or not complying with the specifications applicable hereto, or otherwise not acceptable, will be returned to Seller for full credit at the price charged or held by Howmet at its discretion and at Seller's expense and risk, and Seller shall be further liable for all additional damages suffered by Howmet on account of any breach of warranty specified herein. Howmet reserves the right to charge to Seller all transportation and inspection costs and all other expenses and losses incurred by it in connection with any such goods; and such rejected goods shall not be replaced by Seller except upon receipt of written instructions from Howmet. Howmet reserves the right to accept part of a shipment which fulfills specifications and warranties, and reject any part which does not fulfill such specifications and warranties and treat the order as involving a breach of warranty to the extent of the amount of the rejected material.

- 7) Seller hereby guarantees that the manufacture, sale or use of all articles delivered hereunder are and shall be, free and clear of infringement of the proprietary rights of others, including patents, copyrights and trademarks; that Seller will, at its own cost and expense, defend any and all investigations and suits charging such infringement which may be brought against Howmet, its customers or any other persons for selling or using such articles or any product containing such articles; and Seller will hold Howmet, its customer and any other person, harmless from any and all damages, liabilities, costs, expenses and attorneys' fees incurred as a result of any such infringement or claim of infringement.
- 8) Unless otherwise expressly set forth in the agreement between the parties, the terms of payment are net 90 days after Howmet's receipt of either Seller's valid invoice, or the products, whichever is later. Payment by Howmet of an invoice from Seller does not constitute acceptance of the products covered by the invoice. If the production or delivery of products covered by this Contract may give rise to mechanics' or other similar liens, payment will not be due and the cash discount period, if any, will not commence until Seller has delivered to Howmet a complete release of all liens arising out of the production or delivery of such products or receipt in full covering all labor and materials for which a lien could be filed or a bond satisfactory to Howmet indemnifying it against any lien. If payments are required to be made under the agreement by

Howmet in a currency other than USD, Seller will provide Electronic Funds Transfer (EFT) instructions to Howmet and Howmet will make such payments to Seller electronically, to the extent permitted by law. Howmet will have the right, at any time, to set off and apply against any monetary obligations that Howmet owes to Seller hereunder, any obligations that Seller, or any of its parents, subsidiaries or affiliates, may owe to Howmet.

- 9) Seller or Seller's subcontractor performing work on Howmet's premises shall maintain such insurance as will protect Howmet and Seller from claims for damages because of bodily injury, including death, and property damage which may arise from and during operations under this purchase order, whether such operations be by Seller itself or by any subcontractor or anyone directly or indirectly employed by either or them. Without limiting the generality of the foregoing, Seller or Seller's contractor shall secure and maintain, during the life of this purchase order, the following types of insurance coverage: (a) Workers' Compensation Insurance or qualification as a self-insurer to satisfy the laws of the states which have jurisdiction over Seller's employees. To the extent permitted by law, Seller's Workers' Compensation Insurer or Seller, if self-insured, agrees to waive rights of subrogation against Howmet; (b) Employers' Liability Insurance for Bodily Injury per accident with limits of not less than \$1,000,000 and Bodily Injury by Disease with limits of not less than \$1,000,000 per policy; (c) Commercial General Liability Insurance for bodily injury, personal injury and property damage, including coverage for products/completed operations and contractual liability, with combined limits of not less than \$5,000,000 per occurrence; and (d) Automobile Liability Insurance covering use all of owned, non-owned and hired vehicles with minimum combined single limits of liability for bodily injury, personal injury and property damage of not less than \$5,000,000 per occurrence. Upon Howmet's request, Seller will provide Howmet with written certification, reasonably acceptable to Howmet, of Seller's compliance with the requirements listed in this paragraph. Seller may satisfy the limits of insurance required herein with any combination of primary and umbrella/excess insurance policies. The insurance requirements in this paragraph are separate and distinct from any other obligations of Seller contained herein, and neither the issuance of any insurance policy nor the minimum limits specified herein will be deemed to limit or restrict in any way Seller's liability arising under this Contract.
- 10) Any unpatented knowledge or information concerning Seller's products, methods or manufacturing processes, which may be disclosed to Howmet incident to the furnishing of goods or services covered by this order, shall, unless otherwise specifically agreed in writing, be considered to have been disclosed as a part of the consideration for this order and not in confidence, and no claim shall be asserted against Howmet by reason of its use of such knowledge or information.
- 11) If Seller shall cease to conduct its operations in the normal course of business (including its inability to meet its obligations as they mature), or sells or transfers a substantial part of its assets, or if any proceeding under the bankruptcy or insolvency laws are brought by or against Seller, or a receiver for Seller or for a substantial part of its assets is appointed or applied for, or an assignment is made for the benefit of creditors of Seller, Howmet may terminate this order without liability except for deliveries previously made. Howmet may also terminate this order without liability in the event of fires, strikes, acts of God, or acts or demands of any government, the non-occurrence of presupposed conditions, or any other reason beyond Howmet's control.
- 12) Howmet reserves the right to terminate work under this order in accordance with the provisions of the subcontractor termination clause set forth in Section 52.249-2 of the Federal Acquisition Regulation. In the case of contracts not involving U.S. Government contracts or subcontracts, said clause shall be

modified by deleting therefrom all references to the Government and substituting therefor Howmet.

- 13) Howmet reserves the right to make changes in this order. To the extent that any such changes shall result in additional costs, the purchase price shall be adjusted to reflect such additional costs, but no additional costs shall be allowed unless authorized by Howmet in writing. No additional cost shall be recognized unless Howmet is notified within 30 days after receipt of a change-order that additional costs will be incurred by virtue of any such change.
- 14) If applicable, Seller shall establish and implement a Software Quality Assurance Plan to assure that the deliverable software and non-deliverable software used directly for the design, fabrication, inspection, test, and operations of deliverable articles are controlled by and comply with MIL-S-52779A requirements. The plan will be subject to audit by Howmet.
- 15) Seller hereby certifies that in filling this order it is complying and will comply with all applicable federal, state, and local laws and governmental regulations, orders, and rules including, without limitation, the following:
 - a) The Fair Labor Standards Act of 1938;
 - b) Executive Order 11246 (concerning equal employment opportunity);
 - c) Section 503 of the Rehabilitation Act of 1973 (concerning employment of handicapped individuals);
 - d) The Anti-Kickback Act of 1986 (41 U.S.C. secs. 51-58);
 - e) Any clauses specified in the applicable government procurement regulations, including those specified in the contract between Howmet and its customer pursuant to which this order is placed. Without limiting the generality of the foregoing, this will include the clauses set forth on the sheet entitled "Howmet Corporation – Purchase Order – Supplemental Terms and Conditions for Orders under U.S. Government Prime Contracts", delivered to Seller in connection with this or another previous similar order.
- 16) Hazardous and Dangerous Goods and Materials: For any goods or materials furnished in accordance with this purchase order which are defined as hazardous or dangerous under applicable law, Seller will provide Howmet with hazardous warning and safe handling information in the form of a material safety data sheet (MSDS) and appropriate labeling for such goods or materials.
- 17) Notwithstanding other terms and conditions, to the extent authorized by the United States Government by a direct contract with Seller for the manufacture of products for direct sale to the United States Government, and to the extent that such use will not interfere with Seller's performance of this or other orders from Howmet in effect at the time Seller enters into such direct contract with the Government, and upon prior written notice to Howmet of such Government authorization and the contract number, the Seller shall have the right to use the property which the government owns or has the right to use or the right to authorize others to use.
- 18) This transaction and the contract formed by the acceptance of this purchase order or delivery of all or part of the articles ordered hereunder shall be interpreted and construed under the internal laws of the state where the Howmet facility issuing this order is located.
- 19) ANY CLAIM OR DISPUTE ARISING HEREUNDER SHALL BE DETERMINED BY ARBITRATION before a single arbitrator in the metropolitan area, in accordance with the Commercial Arbitration Rules then controlling of the American Arbitration Association, including the production of documents and other information in accordance with Rule 10 thereof. No demand for arbitration shall, however, be instituted after the date after which legal proceedings on the same claim would have been barred by the applicable statute of limitations. The arbitrator shall take

such steps as he may deem necessary or desirable to avoid delay and to achieve a just, speedy and cost-effective resolution of the matter. The award rendered in such arbitration may provide for equitable remedies, an accounting and/or reimbursement for attorneys', or consultants, fees, as the arbitrator shall see fit. Such award shall be final, and judgement on it may be entered in or enforced by any court, state, federal or foreign, with competent jurisdiction. Any party may apply to the arbitrator or an appropriate court of law for a preliminary injunction, attachment or other similar remedy available to it in aid of the arbitration proceeding provided for herein. This provision shall not preclude the impleading or joining of one of the parties hereto by the other in an action brought by a third party.

- 20) At Howmet's request, Howmet and Seller will facilitate business transactions by electronically transmitting data. Any data digitally signed pursuant to this section and electronically transmitted will be as legally sufficient as written, signed, paper documents exchanged between the parties, notwithstanding any legal requirement that the data be in writing or signed. Each authorized representative of a party will adopt a unique, verifiable digital identification consisting of symbols or code to be transmitted with each transmission. Use of the digital identification will be deemed for all-purpose to constitute a "signature" and will have the same effect as a signature on a written document.
- 21) Notwithstanding any other provision or understanding between Howmet and Seller, Seller will not at any time whatsoever or under any circumstances whatsoever disclose or reveal any information to any person not a United States citizen and resident, or to any person outside of the United States or to any representative of a foreign national or foreign interest or in any manner export any information from the United States when to do so would be contrary to or in violation of any law or regulation of the United States or any agency of the United States, including laws and regulations concerning export of data and information. Seller shall not export any information or disclose any information to any such above-mentioned person until Seller has procured the licenses, assurances and approvals, if any, necessary under such laws and regulations.
- 22) Howmet reserves the right to cancel any portion of this order not shipped up to the date of its cancellation notice in the event it determines that gratuities (in the form of entertainment, gifts or otherwise), were offered or given by Seller, or any agent or representative of Seller to any officer or employee of Howmet with a view toward securing this order or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of this order.
- 23) The remedies herein provided are cumulative and in addition to all other remedies at law or in equity. No waiver of any breach or provision hereof shall constitute a waiver of any other breach or provision. No modifications or additions to the terms hereof shall be binding upon Howmet unless agreed to in writing by it.