



## PURCHASE ORDER (PO) TERMS AND CONDITIONS

401 East Alondra Boulevard Gardena CA 90248

The following PURCHASE ORDER TERMS AND CONDITIONS (PO TC) apply to all ALL-WAYS METAL (AWM) Purchase Orders (PO) and contracts, unless otherwise noted. Specific ALL-WAYS METAL (AWM) Quality Requirements (QR) clauses apply when noted on the PO

PO TC01	<b><u>RIGHT TO ACCESS</u></b> by AWM, its customers and regulatory authorities to all facilities involved in the PO, and to all applicable records.
PO TC02	<b><u>ACCEPTANCE</u></b> Acceptance of this PO by seller is expressly limited to the terms and conditions contained in this order. Any terms and conditions stated by the seller in any prior proposal on seller's acknowledgment form or in otherwise acknowledging or accepting this order is deemed by buyer to be a material alternation of this order and is hereby objected to by buyer. Any such term or condition shall be totally inapplicable to this order unless specifically agreed to in writing and signed by an authorized representative of buyer. Acceptance of the goods or services covered by this order will not constitute acceptance by buyer of seller's terms and conditions. Any of the following acts by seller shall constitute acceptance of this order and all of its terms and conditions: signing and returning a copy of this order, delivery of any of the goods or services ordered, informing, the buyer in any manner of commencement or performance, or returning seller's own form of acknowledgment.
PO TC03	<b><u>AMENDMENTS</u></b> to this order or AWM terms and condition shall be set forth in writing, via PO change notice, and /or revisions to the PO terms and conditions. AWM will consider sellers request to modification of, or exception to, only if such request is made in writing, prior to the acceptance of the order (ref. acceptance clauses)
PO TC04	<b><u>PRICE</u></b> as stated on this order covers all goods and services to be provided by the seller as specified in the order. These prices also cover all charges for packaging, containers, and transportation, unless specifically depicted otherwise on the face of the order.
PO TC05	<b><u>SHIPMENT, PACKAGING AND PROTECTION</u></b> Shipment of goods and services under this order shall be F.O.B as set forth on the face of the order. Supplier shall follow Buyers instructions regarding method of shipment, except where buyer has so stated on the face of the order. Packaging and protection of the product shipped shall be in accordance with the AWM PO or best commercial practice to protect product from damage and /or deterioration.
PO TC06	<b><u>SCHEDULE</u></b> for delivery will be the responsibility of the supplier. The supplier shall not be held liable for damages in respect to delivery delay due to causes beyond seller's reasonable control. However, if the seller does not meet the delivery date as depicted on the face of the order, the buyer may approve a revised delivery schedule, of terminate the order without liability for such termination.
PO TC07	<b><u>HAZARDOUS MATERIAL</u></b> , supplier agrees to furnish the applicable material safety data sheet/s/ (MSDS) with each shipment, for product designated by industry, state, or federal agencies as hazardous material.
PO TC08	<b><u>CANCELLATION</u></b> shall remain the right of the buyer and may be initiated at any time.
PO TC09	<b><u>AWM SUPPLIED MATERIAL</u></b> The supplier may not substitute, alter or replace any material provided by AWM without the express written consent of AWM. Where AWM has supplied excess material (scrap allowance) the supplier must account for all material and return unused material to AWM promptly. <b><u>BUYER'S PROPERTY</u></b> The supplier is responsible to ensure adequate care is utilized within their facility, to maintain the material in good working condition. Any damages to this product, while in the care of the supplier shall be reported to AWM in writing. AWM shall disposition damaged product prior to further processing by the supplier. Rework of AWM furnished product shall be authorized in writing.
PO TC10	<b><u>QUALITY ASSURANCE</u></b> the supplier shall comply with AWM Quality System Requirements as specified by AWM. Supplier Survey or PO. Supplier agrees to implement and maintain the Quality and Inspection System during the performance of this contract. An authorized Certificate of Conformance is required with each shipment. Process suppliers shall furnish a complete Certificate of Conformance with each shipment indicating the PO number, specification number and revision, name of supplier and quantities accepted and rejected. Material suppliers shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, melt, heat, batch or lot. Additional AWM Quality Requirement (Quality Requirement Clauses) apply when referenced by PO.
PO TC11	<b><u>NONCONFORMANCE</u></b> Upon acceptance of a AWM PO, the supplier agrees that ALL-WAY METAL is entitled to reimbursement of AWM labor and material costs associated with seller responsible nonconformance and damages. Any /or all con-conforming parts must be clearly identified, documented and segregated.
PO TC12	<b><u>RECORD RETENTION</u></b> The supplier must retain copies of certifications, test data, chemical and /or physical test reports, lot control data, inspection records and other pertinent data requirements. These results and records are to be maintained by the supplier and made available to ALL-WAY METAL or AWM's customer representative upon request, for a minimum period of seven (7) years after shipment to AWM, or as specified on the fact of the PO, whenever unique record retention requirements are imposed.
PO TC13	<b><u>TRACEABILITY</u></b> Lot traceability documentation signed and dated by authorized personnel shall accompany each shipment. Identity and corresponding documentation shall provide traceability to specific Lot, Heat Lot, etc. which shall accompany each shipment.
PO TC14	<b><u>MERCURY EXCLUSION CERTIFICATION</u></b> the items under this PO shall contain no mercury or mercury compounds and shall be free of mercury contamination (i.e. during the manufacturing process, test and /or inspections) all items under this PO require a legible reproducible Mercury Exclusion Certification containing the signature and title of an authorized representative for all processes used in manufacture of the item/s/. <b><u>DFARS</u></b> the supplier shall comply with DFARS Clauses 252.225-7014 in regards to Specialty Metals.
PO TC15	<b><u>TEST EQUIPMENT AND TOOLS</u></b> All tools, test equipment and media used to validate conformance to drawings and specification must be under a positive calibration control system in full compliance with ANSI/ASQC M1-1996. Objective evidence of your calibration system must be maintained and available for AWM or AWM's customers review.
PO TC16	<b><u>RESUBMISSION OF REJECTED MATERIAL</u></b> all items rejected by AWM and subsequently resubmitted by the supplier/subcontractor after rework shall bear specific indication of such resubmission of those items on the shipping document/s/. Reference shall be made to the AWM rejection report (NCR) number. Subsequent Supplier Corrective Action Requests may be issued by AWM which must be answered within the same time limit specified on the Corrective Action Request Form.
PO TC17	<b><u>NON-CONFORMANCE OF CONTRACT</u></b> AWM shall retain the right to cancel or modify contracts in which the supplier fails to meet deliveries or quality standards set forth in the contract. Supplier will receive notice of such cancellation or modification ten (10) days prior to execution of such action.
PO TC18	<b><u>INDEMNIFICATION</u></b> Seller shall indemnify and defend Buyer, its successors and assigns, from and against any losses, damages, and expenses (including attorney fees) which Buyer may sustain or incur as a result of any claim of infringement, negligence, breach of warrant, strict liability in tort or otherwise in connection with the use of the Goods furnished and Services performed hereunder, except such which is wholly caused by Buyer's conduct. Seller shall carry and maintain insurance coverage satisfactory to Buyer to cover the above and upon Buyers request, shall furnish Buyer evidence of such insurance in a form satisfactory to Buyer.

Rev: NC Date: 01/21/2010