

OGS INDUSTRIES PURCHASE ORDER TERMS & AGREEMENTS

1. Acceptance of PO:

A purchase order issued by Ohio Gasket & Shim Co., Progressive Stamping & Fabrication, Mil-Pak Industries or OGS Procurement (OGS Industries) does not constitute a firm order and may be revised or revoked by OGS Industries at any time prior to acceptance by Seller. If Seller accepts OGS Industries' Purchase Order by issuing a sales order, order confirmation, or other sales documentation or if OGS Industries accepts Supplier's Sales order by issuing a purchase order, then these standard terms and conditions shall override, supercede, and prevail over any inconsistent terms and conditions contained in such sales order, regardless of any statement in such sales order to the contrary. The failure of the Supplier to specifically object to the foregoing in writing within five (5) days after receipt of the Standard Terms and Agreements shall conclusively be deemed to evidence Sellers agreement to the foregoing. Any such objection by Seller shall constitute a rejection of OGS Industries offer.

2. Changes to Purchase Order:

No Changes, additions, deletions, or substitutions can be made to the subject matter, terms, conditions, delivery, price, or any other information on the Purchase Order without the consent of the buyer.

3. Quantities:

All shipments shall be for the exact quantity ordered, unless specifically authorized in writing or agreed upon due to acceptable industrial standards.

Variations in shipping tolerances will be noted on the purchase order.

4. Prices:

All purchase orders must be filled at the prices specified therein. All additional charges must be specified on the purchase order. These additional charges include, but are not limited to, freight, delivery, surcharges, setup, tooling, engineering, interest, carrying, etc.

5. Packaging:

Packaging shall be provided by the vendor at no cost to purchaser and shall be adequate for the means of shipment selected by the purchaser.

6. Late Deliveries/Delays:

Time is of the essence in this contract. Seller must inform Buyer of any delays on the agreed upon delivery date. Buyer reserves the right to take the following actions if the goods are not to be delivered on time:

- a. Expect supplier to pay airfreight or special delivery charges.
- b. Terminate all or part of the contract and thereby relieve Buyer of any obligation to accept and pay for goods and or work covered by such terminated portion.
- c. Terminate all or any of the undelivered portion of the order, place a purchase order elsewhere, and charge Seller with any change in the cost or expensed incurred.

7. Certifications:

Certificates of Conformance must include verification of purchase order specifications as stated and also include C of C's from sub-tier supplier to be obtained and furnished by supplier with each item or part on order. Material certifications are required with shipping documents.

A Mil-Test verification of physical/chemical properties must be furnished if requested with each shipment. All Documents must be signed originals.

MSDS sheet must accompany shipping documents when requested by Buyer.

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8. Rejections:

All material rejected by Buyer's inspection will be returned to Seller at Seller's expense. Payment of Seller's invoices will not constitute final acceptance by Buyer in case of rejection. Seller shall, at Buyer's option, replace material without expense to Buyer or pay to Buyer the replacement cost of same. All charges incidental to such, including labor, reloading, trucking etc. will be paid by Seller.

Buyer may require a written corrective action. Such report will identify the root cause, corrective action plan and identify all sources of non-conformity. This plan must be submitted to the Buyer within 20 days for review and approval

9. Tooling & Fixtures:

All Tooling, Fixtures and Jigs, etc. purchased from Seller by Buyer, or tooling provided to supplier from buyer is considered the property of the Buyer. Seller will mark all Buyer-owned tooling and fixtures with Buyer's name and date received. Seller shall provide an inventory of Buyer's tooling upon request.

10. Ownership of Goods:

Except as otherwise expressly provided in the purchase order, title to and risk of loss and/or damage on all items shipped by Seller to Buyer shall pass to Buyer upon Buyer's inspection and acceptance of such items at Buyer's plant or other receiving facility.

11. Record Retention:

Inspection Tests and Records, Certifications and required documentation shall be retained by supplier for an agreed to period/minimum of 3 years.

12. Confidential Information:

All information provided by Buyer to Seller should be considered proprietary and confidential and shall not be shared without permission of Buyer.

13. Vendor Approval:

Sellers may be required to complete the OGS Industries' Process for Quality Vendor Approval.

14. Warranty:

Seller expressly warrants that all materials and services furnished under purchase orders issued by Buyer will be free from defects in material and workmanship and will conform to applicable specifications, drawings, samples, or other descriptions given and that articles made of Seller's design will also be free from defects in design. All warranties shall survive acceptance and payment of goods and services. All warranties shall run to Buyer, its successors, assigns and customers and to the users of its products.

15. Insurance:

Whenever seller's agents or employees are on Buyer's premise, Seller will provide the following insurance coverage to protect both Buyer and Seller, and will deliver to Buyer a certificate thereof: (a) Minimum bodily injury liability of \$300,000 per person, \$1,000,000 per occurrence, (b) Minimum property damage of \$100,000 per occurrence, \$300,000 aggregate operation and (c) all claims under Workman's Compensation, disability benefits or similar employee benefits. The foregoing shall not limit Seller's liability to Buyer.

16. Indemnity:

Seller shall indemnify and hold harmless Buyer, its officers, employees, agents, successors, assigns and any of the Buyer's customers buying or using the specific goods and services, from and against any and all losses, liabilities, damages, penalties, costs and expenses arising out of any misrepresentation by Seller or relating to any breach or default in the performance of Seller's obligation with respect to the delivery of goods and/or services delivered to Buyer. Seller agrees to obtain and maintain at its expense a policy or policies of product and contractual liability insurance.

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17. Quality:

Seller shall notify the Buyer of nonconforming product and obtain Buyer approval of nonconforming product disposition; notify the Buyer of changes in product and/or process, suppliers, changes of manufacturing facility location and, where required, obtain Buyer approval; flow down to the supply chain the applicable requirements including customer requirements; provide right of access by the Buyer, their 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; respond to requested corrective actions in a timely manner when provided by the Buyer.