

SPS FASTENER DIVISION OF PRECISION CASTPARTS CORP.

TERMS AND CONDITIONS OF SALE

1. **DEFINITIONS** - "Seller" means SPS Technologies, LLC or any of the SPS Fastener Division of Precision Castparts Corp. legal entities (as applicable). "Buyer" means the business entity that provides Seller with a purchase order or other procurement document.
2. **CONTRACT FORMATION** - These terms and conditions of sale (the "Seller Terms and Conditions") apply to all quotations and offers made by and purchase orders performed by Seller. To the extent that the Seller Terms and Conditions conflict with or are different from those contained in any Buyer purchase order or other procurement document, the Seller Terms and Conditions will control and any additional or inconsistent terms are rejected by Seller unless Seller's acceptance thereof is in writing and specifically refers to each such additional or conflicting term. Buyer's acceptance of or payment for goods will conclusively confirm Buyer's assent to the Seller Terms and Conditions.
3. **PRICES/PAYMENT** - All prices are in U.S. dollars. Prices are those in effect at the time of Seller's acceptance of an order. All prices are subject to adjustment by Seller based upon the cost to Seller of raw materials at the time of raw material purchase by Seller. Unless otherwise agreed, payment terms are net 30 days from the date of invoice; provided, however, that Seller may require full or partial payment in advance whenever advance payment is advisable, as reasonably determined by Seller, based upon the financial condition of Buyer. Amounts not paid when due may be subject to a late payment charge of the lesser of 1½% per month or the highest interest rate allowed under applicable law. Invoices not paid within 30 days of the date of invoice may result in an automatic hold on the shipping and production of goods until Buyer's account is current.
4. **PRICE ADJUSTMENTS** - Any change in price resulting from a Buyer-directed change will be agreed upon prior to any change of production equipment and prior to Seller's manufacture of modified goods.
5. **DELIVERY** - Delivery will be Ex Works (EXW) Seller's dock, per Incoterms 2000. Title and risk of loss pass to Buyer at Seller's dock. Seller may deliver in partial shipments and Buyer will accept such shipments in accordance with applicable contractual terms. Seller will make reasonable efforts to meet specified delivery dates. Seller will not be responsible for any failure, interruption or delay in manufacture or delivery that is related to sabotage, fire, flood, explosion, war, act of, or priorities granted by request of or for the benefit of, any governmental authority, shortage of raw materials or supplies, acts of God or other causes beyond Seller's reasonable control. Seller will not be liable for any damages incurred by Buyer as a result of delay in shipment.
6. **ORDER CANCELLATION OR RESCHEDULING** - Unless otherwise agreed, Buyer may not cancel, modify or reschedule an order within the applicable quoted lead time or agreed frozen schedule period. If Buyer cancels an order in whole or in part, Seller will be entitled, within 30 days, to reimbursement for all unpaid invoices and the costs of settling any claims for necessary termination of related sub-contracts, as well as payment for the prorated contract price for finished product, work in process, and raw material in inventory or on order provided that Seller is not able, in its judgment, to use such product, inventory or raw material for other purposes within 30 days of Buyer's cancellation. A Buyer-directed rescheduling delay that exceeds 30 days will be deemed a cancellation.
7. **REJECTION** - Final acceptance or rejection of goods will be made as promptly as practicable after delivery thereof to Buyer. Any defect or non-conformance becoming apparent in the goods after such acceptance will be subject to the terms of Section 8 below.
8. **WARRANTY** - All goods delivered hereunder will, for a period of 6 months after delivery, conform to Buyer's specifications attached hereto, such conformance to be determined and demonstrated by the inspection methods and standards directed or approved by Buyer. Buyer is responsible for specifying the acceptance criteria, including criteria that will ensure that subsequent processing (e.g., machining, heat treating, etc.) will yield a finished part or product acceptable to Buyer. If goods do not conform to the requirements set out in the preceding two sentences, Seller will, at its sole option and as Buyer's sole and exclusive remedy, either rework, replace, or compensate Buyer for Seller authorized repairs of goods that are agreed to be non-conforming. The warranty provisions herein will not apply if (a) the goods were in conformance with Buyer's specifications (as described above) at the time of delivery; (b) the goods were rejected by the use or application of test or inspection procedures or processes not agreed to by Seller; (c) Buyer has or has attempted to correct, repair, rework or otherwise alter the goods without Seller's prior written authorization; or (d) goods that were acceptable to Buyer prior to work (e.g., machining, welding, heat treating, etc.) do not, after such work, meet the requirements of Buyer. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR OBLIGATIONS, EXPRESS OR IMPLIED. SELLER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND SELLER DOES NOT WARRANT THE ADEQUACY OF BUYER'S DESIGN OR SPECIFICATIONS OR THE INSPECTION PROTOCOL. No person is authorized to give any other warranties on Seller's behalf.
9. **LIMITATION OF LIABILITY** - IN NO EVENT WILL SELLER BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOSS OF PROFITS OR USE AND INTERRUPTION OF BUSINESS) SUSTAINED FROM ANY CAUSE OR ARISING OUT

OF ANY LEGAL THEORY, WHETHER BASED IN CONTRACT, NEGLIGENCE, STRICT TORT LIABILITY OR OTHERWISE. In no event will Seller be liable to Buyer in an aggregate amount exceeding the total purchase price of the goods delivered to Buyer under the order giving rise to the claim or claims of liability. These limitations also apply to any liability that may arise out of third-party claims.

10. **INFRINGEMENT INDEMNIFICATION** - If goods are made according to Buyer's design, specifications or instructions, Buyer will indemnify, hold harmless and defend Seller against any liability whatsoever for patent, trademark, trade name or other intellectual property right infringement resulting from such design, specifications or instructions. Seller will indemnify, hold harmless and defend Buyer against any liability whatsoever for patent, trademark, trade name or other intellectual property right infringement resulting from Seller's manufacturing processes and procedures. The foregoing states the entire obligation of Buyer and Seller with regard to infringement of intellectual property rights.

11. **SELLER-OWNED TOOLING** - Unless otherwise agreed, all tooling and fixturing will be and remain Seller's property and will be held by Seller. Seller will be responsible for maintenance associated with normal wear-and-tear. Buyer will be responsible for all costs of repair and replacement of any such items if used exclusively for the manufacture or processing of materials or goods by Seller for Buyer. If any such items remain inactive for a period of more than 12 months, Seller reserves the right to dispose of such items at its discretion.

12. **INTELLECTUAL PROPERTY OWNERSHIP** - The parties agree that: (i) each party retains ownership of all intellectual property rights that existed as of the date hereof; and (ii) any intellectual property related to the design of the goods generated hereunder is owned by Buyer; provided, however, that any intellectual property (a) suggested, discerned or arising as a result of the manufacture of goods hereunder and (b) related to manufacturing processes and procedures based in whole or in part upon Seller's intellectual property rights is owned by Seller, including without limitation any intellectual property related to the design know-how associated with tooling used to manufacture goods hereunder.

13. **DISPUTE RESOLUTION** - The interpretation of the terms and obligations hereunder will be construed and governed by the laws enacted in the state of Seller's physical location, excluding its choice of law rules and excluding the U.N. Convention on Contracts for the International Sale of Goods. The parties agree that, in any effort to enforce the terms and obligations hereunder, the complaining party will first notify the other party in writing of the alleged dispute and the parties will attempt in good faith to resolve the dispute through prompt discussion and meeting between representatives having decision-making authority regarding the dispute. If the dispute is not resolved by the 30th day after written notice of the dispute was first made, the parties agree to engage in non-binding mediation in the city of Seller's location, using a neutral mediator mutually agreed to and paid for by the parties. If mediation does not resolve the dispute, the parties may resolve the dispute through appropriate legal action. Legal action may be brought only in the state and federal courts located in the state of Seller's physical location, and the parties consent to the jurisdiction of such courts.

14. **SET-OFF** - Neither party will have any rights to set-off or recoupment hereunder.

15. **ASSIGNMENT** - Neither party will assign its rights or obligations hereunder without the prior written consent of the other party, which consent will not unreasonably be withheld.

16. **ENTIRE AGREEMENT** - These Seller Terms and Conditions (and any long term agreement under which an order is issued) constitute the entire agreement between the parties with respect to the subject matter herein and supersede all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. No waiver, alteration, modification of or addition to these Seller Terms and Conditions will be binding unless expressly agreed to in writing and signed by duly authorized representatives of Buyer and Seller. A waiver of any of the terms or conditions hereof will not be deemed a continuing waiver, but will apply solely to the instance to which the waiver is directed.