

**As part of any Purchase Order/Packing List issued from Palmer Foundry, the following terms and conditions apply:**

1. The Supplier shall maintain a Quality Management System that adequately ensures all products and/or services will meet the specified requirements of the purchase order or packing list. Palmer Foundry prefers that Supplier have a Quality Management System that conforms to the most recent revision of AS9100 for aeronautic, space or defense related goods or services or ISO9001 for other goods and services. Suppliers must notify Palmer Foundry of any changes to the Quality Management System or certifications when such changes impact the conformance of the products and/or services. Supplier shall require direct and lower tier suppliers to comply with quality assurance requirements comparable to those contained in these terms and conditions. Supplier assumes responsibility for the quality of all procured material and workmanship.
2. Suppliers shall provide test reports or certificates of compliance/conformance verifying that the order meets all referenced standards as well as applicable commercial or military standards such reports and certificates to be in form and substance satisfactory to Palmer Foundry.
3. All goods and services furnished hereunder will be subject to inspection and test by Palmer Foundry at all times and places and will be subject to Palmer Foundry's final inspection and approval within a reasonable time after delivery, not to exceed forty-five (45) days. It is the Supplier's responsibility to ensure that all product, assembly, material and process specifications reflect the latest revision levels. If Supplier delivers non-conforming goods, Palmer Foundry may at its option and at Supplier's expense: (i) reject and return the goods for credit or refund; (ii) require Supplier to promptly correct or replace the goods; (iii) correct the goods; or (iv) obtain replacement goods from another source. Supplier shall not redeliver corrected or rejected goods without disclosing the former rejection or requirement for correction. Supplier shall disclose any corrective action taken. Repair, replacement and other correction and redelivery shall be completed within the original delivery schedule or such later time as Palmer Foundry may reasonably direct. All costs, expenses and loss of value incurred as a result of or in connection with nonconformance and repair, replacement or other correction may be recovered from Supplier by equitable price reduction or credit against any amounts that may be owed to Supplier under this purchase order or another. **Payment for any goods or services shall not be deemed accepted and in no event shall Palmer Foundry incur any liability for payment for rejected goods or services.**
4. Unless otherwise agreed by Palmer Foundry in writing, Supplier shall keep confidential and not disclose to any third party, any confidential and/or proprietary materials provided by Palmer Foundry to Supplier in connection with Supplier's performance of this Purchase Order or prepared by Supplier specifically for Palmer Foundry pursuant to this Purchase Order, including but not limited to any drawings, masters, software, specifications, raw materials, components, data, business information or plans, customer lists or other customer information ("Confidential Information"). Supplier shall not make any copies of Confidential Information except as specifically authorized by Palmer Foundry in writing. At the completion of this Purchase Order, or upon Palmer Foundry's request, Supplier shall promptly return to Palmer Foundry, all Confidential Information not consumed in the performance of this Purchase Order, together with any copies in Supplier's Possession. Supplier shall use Confidential Information solely for Supplier's performance of this Purchase Order for Buyer, and Supplier shall not, without Palmer Foundry's written consent, directly or indirectly use Confidential Information or information derived therefrom in performing services or providing goods for any other customer of Supplier, or any other person or entity.
5. Special Process suppliers must utilize only qualified personnel to perform special processes and maintain all process, inspection, and test records for a minimum of 7 years. These records must be made available to Palmer Foundry or their customers upon request.
6. Suppliers shall be responsible for all associated costs of non-conformances.
7. Palmer Foundry will have the right of access to non-proprietary records of Supplier which are related to the processing of Palmer Foundry products.
8. Should a Source Inspection be requested by Palmer Foundry, Palmer Foundry Customers, or regulatory authorities at the Supplier's facility; this arrangement shall be granted. Source inspection shall not preclude subsequent rejection.
9. Suppliers shall not subcontract any part of the order without the knowledge and written approval of Palmer Foundry.
10. Suppliers agree to flow down applicable order requirements to any approved subcontractors and lower tier suppliers.
11. Suppliers agree to notify Palmer Foundry of changes in product or process that could impact this order and any significant changes to the supplier's facility or organization.
12. Suppliers shall periodically review the above Terms and Conditions as these may be modified without additional notification.
13. Palmer Foundry's payment terms are net 30.
14. Suppliers (and Supplier employees, subcontractors and lower tier suppliers) are required to prevent the use of counterfeit parts by ensuring that such persons and entities are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior. Supplier warrants that counterfeit supplies shall not be supplied to Palmer Foundry or installed in any goods supplied by Supplier and further warrants that only new, unused, authentic, genuine and legitimate items shall form part of the goods supplied by Supplier to Palmer Foundry. Palmer Foundry expects that Supplier will have an internal code of ethics and business conduct, best practices for enhancing product safety, and will maintain compliance with all laws and regulations applicable to its operations and business.
15. Palmer Foundry is committed to compliance with the European Union's Registration, Evaluation, and Authorization of Chemicals Directive (REACH) that came into force on June 1, 2007. The objective of REACH is to improve the protection of human health and the environment by placing greater responsibility on industry to identify and manage the risks from certain substances and to provide safety information on those materials. Its scope covers goods imported to or produced within the European Union (EU). In particular, REACH requires registration when certain materials, whether used alone or within an article, are imported into or produced within the EU to the extent that the amount of any such material exceeds 1 metric ton per year and the material is present in concentrations above 0.1% wt./wt per article. At present, the materials subject to this directive are those that were identified by the European Chemical Agency (ECHA), on their list of substances considered "Substances of Very High Concern" (SVHC). Palmer Foundry has completed a preliminary evaluation and believes that none of our products contain any of the identified SVHCs in amounts that exceed those thresholds, thus NO REGISTRATION IS REQUIRED. However, as a responsible supplier we will continue to monitor our products, processes and vendors for compliance on an ongoing basis, and are committed to meeting the spirit of this regulation for shipments worldwide, including shipments to countries beyond the EU. Should Supplier be aware of any of its products/services having registration or other reporting requirements specified in REACH please contact Palmer Foundry with details. Otherwise, we are taking the position such products/services are unaffected. If you require further information on the REACH directive and how it may affect our products, please contact us.
16. Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Securities and Exchange Commission Rules adopted in connection therewith, require certain corporations to report the use of "Conflict Minerals" in the manufacture of their products. Generally, Conflict Minerals collectively refers to cassiterite, columbite, tantalite, gold, wolframite, or their derivatives, including tantalum, tin and tungsten, which originate from the Democratic Republic of the Congo or specified adjoining countries. Palmer Foundry, as a privately held corporation, is not subject to the Conflict Minerals rules and reporting requirements. However, we understand that our customers may be, and we are committed to helping our customers comply with their reporting requirements. In order to determine if our manufactured products contain Conflict Minerals, we have conducted a survey of our key suppliers to ascertain their use of any Conflict Minerals in the materials they supply to us. The results of that survey demonstrate that our key suppliers do not use Conflict Minerals in the materials they supply to us. Consequently, we can in turn represent that, to our knowledge, our products do not contain Conflict Minerals. We will continue to work with our key suppliers to ensure that we are able to identify the use of Conflict Minerals in our supply chain, and the representations made in this compliance statement remain accurate. To that end, we reserve the right to amend this statement at any time based on subsequent developments or information. Should Supplier become aware of any of their products having Conflict Minerals please contact Palmer Foundry with details. If you have any other questions or concerns regarding this statement, please do not hesitate to contact us.
17. Suppliers should maintain a FOD prevention program that increases awareness to the causes, effects, and dangers of FOD, promotes active involvement through specific FOD prevention measures and techniques, and stresses good work habits through work disciplines.
18. Information furnished to Supplier under any purchase order may contain data subject to U.S. Export Laws and Regulations. Supplier is advised that such data may not be exported or re-exported to foreign persons, employed by or associated or under contract to Supplier or Supplier's lower tier suppliers, without the prior written consent of Palmer Foundry and under the authority of an export license or applicable license exemption. If such data is marked as export controlled, supplier shall indemnify and hold buyer harmless from and against any and all claims, liabilities and expenses resulting from Supplier's failure to comply with the Export Laws and Regulations of the United States.
19. Control and monitoring of the Supplier performance will apply per section 8.4.3e of AS9100.
20. Suppliers are measured and monitored according to 'on-time delivery and product conformity' to ensure acceptable performance. Suppliers that consistently have an unsatisfactory rating may be terminated and not be included in bidding of new business.
21. A purchase order to which these terms and conditions apply is an offer by Palmer Foundry for the purchase of the goods (the "Goods") or services (the "Services") specified, from Supplier in accordance with and subject to these terms and conditions (the "Terms"; together with the terms and conditions on the face of the purchase order, the "Order"). The Order will be deemed accepted by Supplier upon the first of the following to occur: (a) Supplier making, signing, or delivering to Palmer Foundry any letter, form, or other writing or instrument acknowledging acceptance; (b) any performance by Supplier under the Order; or (c) the passage of ten (10) days after Supplier's receipt of the Order without written notice to Palmer Foundry that Supplier does not accept. This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order, unless a separate overriding written contract has been entered into and signed by the parties. The Order expressly limits Supplier's acceptance to the terms of the Order. These Terms expressly exclude any of Supplier's terms and conditions of sale or any other document issued by Supplier in connection with this Order. Supplier shall deliver the Goods and/or perform the Services at the delivery point (the "Deliver Location"), and on the date(s) specified in this Order (the "Delivery Date"). If no delivery date is specified, Supplier shall deliver in full within a reasonable time of receipt of the Order. Timely delivery is of the essence. If Supplier fails to deliver the Goods or Services in full, on the Delivery Date, Palmer Foundry may terminate the Order and Supplier shall indemnify Palmer Foundry against any losses, damages, and reasonable costs and expenses attributable to Supplier's failure to deliver. The rights and remedies under this Order are cumulative and are in addition to any other rights and remedies available at law or in equity or otherwise. If Supplier is in breach of the warranties set out in the Order or these terms and conditions, Supplier will, at its sole cost, replace or repair the Goods or re-perform Services to Palmer Foundry's satisfaction. Supplier shall, at its own expense, maintain, and carry insurance in full force and effect with financially sound and reputable insurers, which includes: (a) commercial general liability (including product liability) in a sum no less than \$1,000,000 for each occurrence and \$2,000,000 in the aggregate; (b) workers' compensation insurance in compliance with the applicable laws of each jurisdiction affected by the Order; (c) if the Supplier will use or provide for use of motor vehicles in providing and/or performing the Order; automobile (motor vehicle) insurance covering all liabilities for personal injury and property damage arising from the use of such vehicles, with limits of no less than \$1,000,000. Upon Palmer Foundry's request, Supplier shall provide Palmer Foundry with a certificate of insurance evidencing the coverage specified in this Order. Unless specified otherwise on the face of the Order, the prices are inclusive of, and Supplier shall be solely responsible for and pay, all federal, state, and local taxes, including, but not limited to, value added tax, goods and services tax, sales, use or consumption tax. No sales or use tax shall be added when a valid tax exemption is indicated on the face of this Order by Palmer Foundry. Unless otherwise specified in the Order, risk of loss of the Goods remains with Supplier and title will not pass to Palmer Foundry until the Goods are delivered to and accepted by Palmer Foundry at the Delivery Location. Upon Supplier's receipt of amounts properly invoiced, Supplier waives and releases all rights to, for itself and its subcontractors, and at its sole cost shall obtain prompt removal of any lien fixed against Palmer Foundry, for Goods or Services performed under this Order. The Supplier is an independent contractor of Palmer Foundry. Nothing contained herein shall be construed as creating any agency, partnership, employment or fiduciary relationship. Neither party shall have authority to bind the other party in any manner whatsoever. All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, excluding its choice or conflict of law rules. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of the federal and/or state, courts in the Commonwealth of Massachusetts. for delivery over a maximum of ninety (90) days from date of order unless otherwise agreed upon by both parties in writing. The prices contained herein are based on a continuous production of castings in the minimum quantities stated. A surcharge will be imposed where less than the original Purchase Order quantity is involved. Deliveries scheduled beyond six months from the date of the Buyer's order may be affected by circumstances beyond the Seller's control and therefore may require price adjustment(s).