

ABC-85-RF-1350

ISS: 1 REV: 5

March 31, 2021

Process Owner:

Chief Financial Officer

TERMS AND CONDITIONS OF PURCHASE

The following Terms and Conditions will govern all transactions with Allegheny Bradford Corporation ("Buyer") unless expressly agreed by the parties to the contrary.

- 1. ACCEPTANCE.** This order for the purchase of goods and/or services is the exclusive agreement between the parties, subject to these terms and conditions and including any documents incorporated herein by reference. Seller's acceptance of this order shall be deemed to occur either through commencement of performance under this order, shipment of any goods, or acknowledgment of this order. Additional or different terms that may be contained in Seller's acknowledgment or any other documentation of Seller shall be void and of no effect unless specifically accepted in writing by Buyer. No change in, modification of, or revisions to, this order shall be valid unless in writing signed by Buyer. Notwithstanding the foregoing, particular terms of this order shall prevail over any conflicting provisions of these Terms and Conditions. None of any past practices, industry standards, courses of dealings or usage of trade shall constitute a modification of any term or condition contained herein, nor shall the same add any term not contained herein. Seller may not change material of manufacture, sources of supply, manufacturing process or manufacturing location without the prior written consent of buyer. Except as otherwise disclosed to Buyer, Seller represents that there exists no claims, actions, litigations, or other such matters involving the Seller that in any way could affect its ability to perform the obligations under this order.
- 2. CHANGES.** Buyer may change the specifics of this order at any time by written notice to Seller, and Seller shall comply with such change notice. If such changes were to result in an adjustment to Seller's cost or in the time for its performance, an equitable adjustment in the price and time will be made by the parties through written agreement, provided a request for adjustment is made by Seller within 10 days after receipt of such change notice. Seller will provide appropriate documentation of any such changes to its costs or terms of performance and will not proceed with its performance under this order until Buyer agrees to such changes, preserving any rights or claims that it may have. Upon notice to Seller, Buyer may deduct from the amount due Seller under this order either damages for any breach of this order or amounts otherwise due, irrespective of whether the deduction is related to the goods or services covered by this order.
- 3. DELIVERIES.** Time and quantities are expressly made the essence for this order, and Buyer reserves the right to terminate, without penalty, this order as to any or all items if delivery is not made as specified. Seller must advise immediately in writing if any products and/or services cannot be delivered as ordered (including purchase order number). In the event Seller defaults by failing to deliver the products and/or services by the required delivery date, the Purchase Order may at Buyer's option be canceled without incurring any liability to Seller and Buyer shall be entitled to all legal and equitable remedies.
- 4. LATE DELIVERY & PENALTY.** Allegheny Bradford is committed to providing its customers the highest quality products on time. Our schedule is based on confirmation dates supplied by our suppliers. Any disruption in delivery of material will have a direct effect on our schedule and customers. In the case of delayed delivery except for Force Majeure cases, the Seller shall pay to Allegheny Bradford Corporation for every week of delay, penalty amounting to 1.0% of the total value of the Equipment whose delivery has been delayed. Any fractional part of a week is to be considered a full week. The total amount of penalty shall not, however, exceed 5% of the total value of the Equipment involved in late delivery. Note: Material that is rejected at Incoming Inspection will be considered late. When a shipment becomes late, seller shall modify the shipment method to Next Day and assume the additional cost of the expedited shipping rate.
- 5. WARRANTIES.** In addition to all warranties implied in fact or at law, (including the implied warranties of merchantability and fitness for a particular purpose), Seller expressly warrants that all goods and/or services furnished hereunder will be free from defect in materials and workmanship, conform strictly to all specifications, drawings, data, samples, descriptions (including without limitation make, model number, serial number and type) as well as other requirements of this order, and be free from design defects. If there is a breach of any of these warranties, Buyer, in addition to any other rights it may have, may terminate this order in whole or in part or may return such goods at Seller's expense for repair, replacement, refund or credit, all at Buyer's option. Seller further warrants that it will convey good title to the goods and/or services of this order, free and clear from all liens, claims and encumbrances. Refund or credit amounts shall include the price of the goods plus the amount of any costs associated with uninstalling or otherwise isolating any defective part. All warranties shall run to Buyer as well as its customers and shall survive acceptance, subsequent use, resale or other disposition of the goods or services, as well as payment for them, by Buyer.
- 6. RISK OF LOSS.** Risk of loss of, and title to, goods and/or services of this order shall remain with Seller until receipt by Buyer at destination, unless otherwise specified in this order. Seller bears all risks as to goods or services rejected under this provisions and will reimburse Buyer for all shipping and related costs incurred as well as for any overpayments by Buyer for rejected goods or services.

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7. **INSPECTION.** All goods are subject to inspection and testing by Buyer at any time. Payment for goods or services shall not constitute final acceptance. Acceptance of any goods shall not be deemed to affect Buyer's rights or the Seller's obligations under the Warranties clause.
8. **BUYER'S PROPERTY.** All designs, tools, patterns, drawings, specifications or other information as well as all reproductions of them, and any other property that is furnished to Seller by Buyer or that is paid for by Buyer are proprietary and confidential and shall be the property of Buyer. Seller shall use such property of the Buyer for no purpose other than to fill Buyer's orders, and Seller shall not reproduce, disclose or use such property in the production, manufacture or design of any items or goods for any other purchaser or for the manufacture of quantities larger than those specified by Buyer, except with the prior written consent of Buyer. All of Buyer's property is subject to removal from Seller's facility at any time upon Buyer's demand. Seller shall be liable for all loss of damage to, or destruction of, Buyer's property, and Seller shall, unless otherwise directed in writing by Buyer, insure at Seller's expense such property in the amount equal to the replacement cost thereof.
9. **SUBCONTRACTING.** In the event Seller must contract the performance of this order to a third party, Seller agrees to enter into a written agreement with that third party that obligates it to be bound by the terms and conditions of this order including all government regulations referenced herein. At Buyer's request, Seller shall provide Buyer with a copy of such written agreement.
10. **ARTICLE 8 INSURANCE**
- 10.1. REQUIREMENTS**
- 1) Prior to Delivery Date. Seller shall, at its own cost and expense, obtain and maintain in full force and effect, as appropriate, the insurance requirements stated in this section.
 - 2) Performance on Allegheny Bradford Corporation's Premises. Prior to commencement of any work by Seller on Buyer premises, including without limitation the Installation, Seller shall, at its own cost and expense, obtain and maintain in full force and effect the following insurance:
 - a) Worker's Compensation and Occupational Disease Insurance in accordance with the statutory requirements of the State in which the service is to be performed.
 - b) General Liability Insurance including contractual liability covering Seller's obligations to indemnify Buyer under this Agreement with a minimum one million dollars (\$1,000,000 USD) combined single limit for bodily injury and property damage per occurrence.
 - c) Automobile Liability Insurance with a minimum limit of one million dollars (\$1,000,000 USD) per occurrence and in the annual aggregate.
 - 3) Umbrella Liability Insurance with a minimal limit of two million dollars (\$2,000,000 USD) per occurrence and in the annual aggregate and sits excess to the Employers Liability, General Liability, and Automobile Liability.
 - 4) Seller will cause Buyer to be named as an additional insured on each of the aforementioned policies, by specific endorsement. The additional insured statement shall be as following:
 - a) "General Liability Insurance naming Allegheny Bradford Corporation, its Business Units, Topline Process Equipment Company, and Allegheny Surface technology, as an additional insured on the Supplier's commercial general liability policy, which additional insured status shall be on a primary basis."
 - b) The Seller should provide Allegheny Bradford Corporation with a Certificate of Insurance and Additional Insured Endorsement on ISO form CG 20 10 11 85, or equivalent, or on the combination of ISO forms CG 20 10 10 01 and CG 20 37 10 01, or equivalent.
 - 5) Certificate of Insurance
- Seller shall, within five (5) days of execution of this Agreement, furnish to Buyer a certificate(s) of insurance as evidence of the insurance required pursuant to Articles 8.1 which certificate shall provide for ten (10) days' prior written notice to Buyer in the event of cancellation or any material change in such insurance.
11. **PATENTS.** Seller warrants that the sale, manufacture or use of any or all goods delivered under this order or the services performed by Seller under this order shall not infringe any patent or other intellectual property right of any third party. Seller shall, at its own expense, defend any action, suit or claim in which such an infringement is alleged, and Seller shall indemnify and hold Buyer and/or its customers harmless from any loss, damage or liability arising from any claim of such infringement, including any special, consequential and indirect damages as well as attorneys fees and other costs so arising.

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12. **INDEMNITY (PRODUCT LIABILITY).** Seller agrees to protect, defend and hold Buyer harmless from and against all claims, actions, liabilities, losses, costs and expenses (including attorney's fees) arising out of any actual or alleged personal injury or death or damage to property resulting in whole or in part from any defect in any goods sold to Buyer or services performed by Seller under this order including improper design of said goods or as a result of said goods being manufactured, packaged, labeled, shipped, or sold or said services being performed in violation of any federal, state or local law, rule or regulation or as a result of any field modification or recall campaign that Buyer is required to undertake for its product which incorporates goods procured under this order where said goods are alleged to be or are actually defective.
13. **PRICE.** Except as otherwise set forth on this order, the price includes all applicable federal, state and local sales, use and other taxes, duties and fees. The price to be paid for the items or services covered by this order shall in no event exceed the applicable maximum price, if any, established by Government regulation, and any provision of this order which is in violation of any such regulation shall be of no effect. Seller warrants that the price for this order is equal to, or less than, the lowest price offered by Seller to any of its comparable customers for comparable services or goods at comparable quantities. Invoices will not be dated earlier than the date of shipment of the goods or the date of delivery of services. Any discount period for payment will begin no earlier than the date of receipt of the invoice by Buyer, the actual or required delivery date, or the date on which any discrepancy in any aspect of the order is resolved, whichever is later. Under no circumstances will Buyer be liable for any charges or cost beyond the specified price of this order (less applicable discounts and other deductions), and Buyer will be responsible for interest, penalty, surcharge or other charge, whether claimed by reason of late payment or otherwise.
14. **TERMINATION.** Buyer may terminate this order in whole or in part at any time by written notice to Seller. Upon receipt of such notice or at the time specified in such notice, Seller shall immediately discontinue all work under the order, shall incur no further costs of performance and shall terminate all related orders and subcontracts given by Seller for performance. If the goods being ordered are made exclusively for Buyer and are completed, Seller will then deliver them, and Buyer will accept and pay for them at the original purchase price. If any uncompleted goods are for use by Buyer in fulfilling a contract with another party that is subject to termination, settlement shall be made on the basis of and by analogy to the procedures provided by Buyer's contract with such other party, otherwise on the basis of and by analogy to Government FAR termination procedures. If dispute shall arise to any sum claimed by Seller, it shall be determined from an audit of Seller's books and records by a certified public accountant selected by Seller and approved by Buyer. In no event shall Buyer be liable for any lost profit or for any incidental, indirect or consequential damages or losses incurred by Seller as a result of such termination.
15. **LABOR DISPUTES.** If an actual or potential labor dispute delays or threatens to delay Seller's performance under this order, Seller shall immediately give notice of it to Buyer. Such notice shall include all relevant information with respect to such dispute.
16. **FORCE MAJEURE.** Neither party shall be liable for default or delays due to acts of God, any actions of a government/governmental agency, fires, floods, terroristic acts, accidents or other unforeseeable events beyond its reasonable control and not due to its fault or negligence. Each party shall notify the other in writing of the cause of such delay and its expected length within five (5) days after its beginning. In the case of delays impacting Seller's performance under this order, Buyer reserves the right to terminate the order in accordance with the provisions of the Termination provision above.
17. **GOVERNMENT CONTRACTS.** When government regulations are noted in this order, the applicable government clauses and any additional mandatory government provisions applicable to a contractor under a government contract to include in its subcontracts thereunder will apply to this order.
18. **ASSIGNMENT.** Neither this order nor any rights and obligations under it may be assigned by Seller, nor may Seller delegate performance of any of its duties hereunder without the prior written permission of Buyer.
19. **COMPLIANCE WITH LAWS.** Seller acknowledges that the products or services provided by Seller under this Purchase Order may be provided to the federal government pursuant to a federal prime contract between the federal government and a higher-tier prime contractor. Seller warrants and certifies that its performance of this order and the goods and services furnished under this order shall be in compliance with all applicable federal, state and local laws, rules, regulations, ordinances, standards and orders (collectively referred to as the "Applicable Laws"), including, without limitation, the Equal Opportunity Clause in Section 202 of Executive Order 11246 of September 24, 1965, as amended; the Affirmative Action provisions referenced in the regulations at 41 CFR Parts 60-1 through 60-250, and Section 402/503 and the regulations at 41 CFR Parts 60-250 and 60-741; the provisions of the Toxic Substances Control Act of 1976, as amended; and FAR 52.244-6 Subcontracts for Commercial Items in addition to any other Applicable Laws to which the Seller is subject. Seller further warrants and hereby certifies that in performing this order, Seller shall comply, and shall cause all goods or services furnished under this order to comply, with all current governmental and safety constraints on restricted, toxic, and hazardous materials as well as environmental, electrical, and electromagnetic considerations applicable to the country of

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manufacture and sale. In addition, Seller shall comply, and shall cause all goods or services furnished under this order to comply, with the Fair Labor Standards Act, as amended, and Seller agrees that this certification may be considered as a certificate contemplated by that Act.

20. **SOURCED MATERIALS.** As a global purchaser and supplier of goods, Allegheny Bradford Corporation is committed to preventing the use of conflict materials sourced from the region of the Democratic Republic of the Congo and its adjoining countries. Seller warrants that all materials used to fulfill the supplied purchase order comply with the requirements identified in the Supplier Quality Requirements and Contractual Conditions outlined in the section entitled "Sourced Materials".
21. **OSHA COMPLIANCE.** Seller warrant and certifies that the goods covered by this order shall be in compliance with the provisions of the Federal Occupational Safety and Health Act (OSHA), as amended as well as regulations under that Act at the time of shipment by Seller, or upon completion of, if installed by Seller, or upon assembly by Buyer, in accordance with Seller's instructions. Where services are being provided, Seller shall perform the services in a manner so as to comply with the applicable provisions of OSHA and regulations under that Act. Seller further agrees to defend, indemnify and hold Buyer harmless for any loss, damage, fine, penalty or any expense whatsoever that may result from Seller's failure to comply with OSHA and any standards or regulations issued under that Act.
22. **CONFIDENTIALITY.** Any information disclosed by Buyer to Seller that is incidental to the performance of this order including but not limited to information related to pricing, volumes or the financial terms of the order as well as the existence of this order itself is revealed by Buyer in confidence for the sole and exclusive use of Seller. Seller shall not disclose such information without the express written consent of Buyer. In the absence of a signed agreement to the contrary, no information disclosed by Seller to Buyer shall be considered confidential.
23. **GOVERNING LAW.** This order shall be construed, interpreted and controlled by the laws of the Commonwealth of Pennsylvania, and all claims arising out of, or relating to, the parties' relationship created by this order, whether in contract, tort or otherwise, shall be governed and decided pursuant to the laws of the Commonwealth of Pennsylvania. Seller agrees to subject itself to the courts in Pennsylvania and that such venue in Pennsylvania shall be exclusive regarding disputes arising out of this order.
24. **SEVERABILITY.** Should any part of this order be deemed invalid by court of law, it shall not constitute an invalidation of any other part of this order, which shall otherwise remain in effect. Additionally, Buyer's failure to insist on performance of any of the terms or conditions of this order or to exercise any right or privilege of this order or Buyer's waiver of any breach under this order shall not thereafter constitute a waiver of any other terms, conditions, rights or privileges.
25. **SURVIVAL.** The following clauses of these Terms and Conditions survive in perpetuity cancellation, termination, completion or expiration of this order: Warranty, Buyer's Property, Patents; Termination; OSHA Compliance, Confidentiality, and Governing Law.
26. **USE OF BUYER'S NAME.** Seller shall not in any advertising, sales promotion materials, press releases or any other publicity matters use the name of Buyer or any affiliate or subsidiary of Buyer .
27. **AUDIT RIGHTS.** For any reason determined by Buyer including without limitation quality control and pricing, Buyer may inspect Seller's manufacturing facilities as well as review and copy, upon its request, any and all books, records and information of Seller relating to the goods provided under this order. Seller shall maintain the books, records and information (including but not limited to production and quality records) relating to the goods provided under this order for a minimum of ten (10) years after delivery and acceptance of goods, unless a longer period is specified in the order itself.

ALLEGHENY BRADFORD CORPORATION				REFERENCE DOCUMENT	
ABC-85-RF-1350	ISS: 1 REV: 5	March 31, 2021	Process Owner:	Chief Financial Officer	

APPROVAL & TRAINING REQUIREMENTS

Approval & Training Requirements	
Approval (Job Title)	Training (Job Title or Department)
Chief Executive Officer	Title: Purchasing Manager, ABC
Chief Financial Officer	Title: Purchasing Agent, ABC
Manager, General ABC	

Issue-Rev	Rev Date	Details		Description of Change
		Edited by	Para.	
1-3	May 20, 2020	EAA	Title	Document number updated for new electronic system. No content change. Same revision, no retraining required.
1-4	September 2, 2020	JJK	4	Section 4 concerning Late Delivery and Penalty was added.
1-5	March 31, 2021	SKF	19	Parts may be used for federal contract, FAR 52.244-6, and Purchasing Manager were added.