FORM-7400:
TERMS AND CONDITIONS OF PURCHASE

General: The terms and conditions set forth herein constitute the entire contract between Precision Alloy Services, Inc. (PAS) and Seller, relating to the purchase of goods, and this contract prevails over any and all terms and conditions contained in the Seller's acknowledgements or terms and conditions of sale. No subsequent modification of these terms and conditions shall be effective unless confirmed in writing by an authorized officer of the PAS Seller accepts the terms of the purchase order and those stated herein when Seller confirms PAS's purchase through written acknowledgement, or through the initiation of production, processing, or shipment of the goods in the purchase order.

Quality Management System: Suppliers of raw materials used directly for product realization must have Quality Certifications such as ISO 9001, AS9100 or equivalent. The requirements for any certifications will be stipulated in the Purchase Order.

Warranty: Seller expressly warrants that all materials and articles covered by this order or other description or specification furnished by PAS will be in exact accordance with such order, description or specification and free from defects in material and/or workmanship, and merchantable. Such warranty shall survive any inspection, delivery, acceptance, or payment by PAS of said materials or articles, and PAS reserves the right to cancel this order, without liability to Seller, for breach of such warranty. Any deviations from this order or specifications furnished hereunder, or any other exceptions or alterations, must be approved in writing by PAS.

Delivery: Shipments shall be made in accordance with PAS's shipping instructions which are subject to revision with respect to undelivered quantities. If Seller fails to make deliveries in accordance with the terms of this contract, the PAS shall have the option to terminate this contract in whole or in part and to return, at Seller's expense, or refuse to accept goods shipped.

Invoices; Packages: Shipping notices and test reports must be rendered to PAS with copies of original bills of lading or express receipts not later than the day following shipment. Each package shall contain an itemized packing slip that includes PAS's purchase order number as well as material test reports. All packaging must be positively identifiable upon receipt.

Records: If a raw material supplier, Seller must maintain complete and accurate records regarding production of materials and goods sold to PAS for a period of 10 years following this agreement.

nspection: Delivery shall not be deemed to be complete until, and goods will be received subject to, PAS's inspection and acceptance at destination, notwithstanding any agreement to pay freight, express or other transportation charges, and risk of loss or damage in transit shall be on Seller. Defective goods or goods not in accordance with PAS's specifications may be rejected by PAS, and PAS, at its option (without prejudice to any other legal remedy), may hold such goods at Seller's risk or return same to

Seller at the Latter's risk and/or expense. If inspection discloses that part of the goods received are not in accordance with PAS's specifications, PAS shall have the right to cancel any unshipped portion of this order. Defects are not waived by acceptance of or payment for the goods or by failure to notify Seller thereof. Seller and PAS each agrees to cooperate with the other if either party desires to file a claim against a third party for any loss of or damage to the goods in transit.

Right of Entry: PAS reserves the right to access and inspect all areas of the Seller's facility, and any of the Seller's supplier's facilities at all levels of the supply chain that are applicable to any of PAS's purchases. This right of entry extends to PAS's customers and regulatory authorities as well.

Prevention of Counterfeit Parts: Seller shall have control processes in place for the prevention of counterfeit or suspect counterfeit product. Seller shall maintain and assure traceability of product to their original or authorized manufacturers.

Awareness: Seller shall ensure that the organization as well as the Seller's supplier's organization(s) at all levels of the supply chain that are applicable to any of PAS's purchases are aware of (1) their contribution to product or service conformity, (2) their contribution to product safety, and (3) the importance of ethical behavior.

Price: Prices recorded in this order are not subject to increase. If price is not stated in this order, it is agreed that the goods shall be billed at the price last quoted, or billed at the prevailing market price, whichever is lower. This order must not be filled at a price higher than last quoted or charged without PAS's specific authorization.

Extra Charges: No additional charges of any kind, including charges for boxing, packing, cartage, storage, insurance or other extras will be allowed unless specifically agreed to in writing in advance by PAS.

Changes: PAS may make changes to purchase order at any time, and Seller agrees to implement requested changes upon receipt. When changes result in an increase in price or production time, Seller will notify PAS immediately, and a new agreement will be made that will replace or adjust the original purchase order. Seller may not make changes to the purchase order without the written consent of PAS. The Seller will immediately notify PAS of any changes in product and/or process, change of suppliers, changes of manufacturing facility location and any nonconformances in product or process from the Seller or the Seller's vendors. Any of these changes must be met with approval from PAS before the Seller ships the material to PAS and must be flowed down to the Seller's vendors.

Termination for Convenience of PAS: PAS reserves the right to terminate for its own convenience all or any part of the purchase order. Upon notice of termination, Seller shall immediately suspend all

production related to the purchase order. PAS and Seller will come to an agreement concerning payment for work performed on the order prior to termination.

Cancellation: In the event of default by Seller, PAS may cancel all or any part of the purchase order. If PAS cancels all or part of order as a result of default by Seller, PAS is not responsible for payment.

Compliance with Applicable Law: This order is placed by PAS with the understanding, and, in accepting the same, Seller warrants that all applicable federal, state and local laws, regulations, rules and ordinances including those pertaining to noise, pollution and safety standards, will be complied with in connection with the manufacture and sale of the merchandise ordered hereby and the performance hereof. Seller further warrants that any equipment furnished pursuant to this order will meet existing federal and state noise, pollution and safety standards. Seller further agrees to abide by existing federal and state standards pertaining to non-discrimination in hiring and promotion practices, including the non-discriminatory provisions of Executive Order 11246, as amended. Seller agrees in the performance of this order to comply with the provisions of the Fair Labor Standards Act of 1938, as amended. Seller further agrees that it will not discriminate against any employee or qualified applicant for employment because he or she is a disabled veteran or veteran of the Vietnam Era (Section 402 of the Vietnam Era Readjustment Act of 1974); or because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified (Section 503 of the Rehabilitation Act of 1973). Seller further agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to such Act or Acts, as amended.

Release: Seller waives all rights to make claim or file suit against PAS for, and releases PAS from all liability or responsibility of any kind arising from, the death of or injury to persons or destruction of property sustained in connection with performance of this order except that caused by the intentional misconduct of PAS or its employees acting within the scope of their employment.

General Indemnity: Seller assumes the risk of all damage, loss, cost, and expense, and agrees to indemnify and hold harmless PAS, its officers, agents and employees, from and against any and all liability, damage, loss, cost and expense which may accrue to or be sustained by PAS, its officers, agents or employees on account of any claim, suit or action made or brought against PAS, its officers, agents or employees for the death of or injury to persons or destruction of property involving Seller, its employees, agents and representatives, sustained in connection with performance of this order, arising from any cause whatsoever except intentional misconduct of PAS or its employees acting within the scope of their employment.

Patent Infringement: Seller will exonerate, indemnify and hold harmless PAS, its affiliated corporations and their successors or assigns, and their customers, officers, agents and employees, from and against any and all liability, damage, loss, cost or expense which may accrue to or be sustained on account of any claim, suit or action made or brought against any of them for actual or alleged infringement of

any patent for or on account of the manufacture, sale, resale or use of any goods furnished hereunder or any part thereof, and Seller will defend any such claim, suit or action at Seller's expense, and PAS (and
any party against whom any such claim, suit or action is brought) may be represented by its own counsel in connection with any such claim, suit or action.

Force Majeure: Failure of PAS to take delivery hereunder, or delay in taking shipments, if occasioned by fire, explosion, flood, earthquake, war, riots, insurrection, civil disturbance, accident, storm, interruption or delay in transportation, shortages, strike or other labor dispute, inability to obtain materials and supplies, acts of government, any act of God, or any other causes of like or different character beyond PAS's control shall not subject PAS to any liability to Seller. At PAS's option, the total quantity covered by this order may be reduced by the amount of omitted shipments or the specified delivery period
extended by a time equal to that during which shipments shall be so omitted and such shipments made during the period of extension.

Confidentiality: Seller agrees that all information provided by the PAS shall not be distributed or disclosed to other parties, or used for any purpose other than the fulfillment of this purchase order.

Assignment: This order and Seller's duties hereunder may not be delegated or assigned by Seller without PAS's written consent, and any assignment attempted without such consent shall be null and void and shall effect, at PAS's option, a cancellation of all of PAS's obligations hereunder. PAS may assign this order and its interest therein to any affiliated corporation, or to any corporation succeeding to PAS's business without the consent of Seller.

Audit: PAS reserves the right to review Seller's audit records. Seller agrees to allow PAS to audit any records associated with the production of PAS's order.

Entire Agreement: This order, together with any attached specifications and drawings, constitutes the entire final written agreement between the parties and is a complete and exclusive statement of all of the terms of such agreement.

Conflict with Applicable Law; Severability: No term or condition herein shall be effective or binding to the extent that it may be illegal or require an illegal action. If any provision of these terms and conditions shall be judged by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such adjudication shall not affect or modify any other provision of these terms and conditions and the effect thereof shall be confined to the provision as to which such adjudication is made.

Interpretation: This order shall be construed according to the laws of the State of Ohio. The application of the United Nations Convention on Contracts for the International Sales of Goods (1980) is excluded.