



1. Order Acceptance

Sellers' complete acceptance of the order will be presumed unless the seller acknowledges exceptions within twenty-four (24) hours after the date of the order. In the event exception is acknowledged, as provided herein, buyer and seller shall then negotiate mutually acceptable terms and conditions.

2. Price

The order shall not be filled at prices higher than those shown on the order, unless the buyer has authorized such increased prices. It is the seller's responsibility to notify the buyer in advance of any changes to an accepted price quotation.

3. Delivery

Delivery shall be strictly in accordance with the quantities and promised dock date set forth on the Purchase Order. Any delays in shipment shall be reported immediately by the seller to the buyer. All freight fees are freight collect unless seller has not shown due diligence on making delivery date and needs to expedite shipping. All premium freight costs in this instance will be the seller's expense. Buyer reserves the rights to cancel the order in whole or in part if seller should fail to make deliveries in accordance with the terms of the Purchase Order. All shipments must include the following, as minimums: Packing slip (detailing the contents of the shipment): The part number, shipment (release) quantity, lot (traceability) number, and purchase order number must be printed on the packing slip. In addition, any documentation to satisfy current governmental and safety constraints on restricted, toxic, and hazardous materials. Certification of Conformance (C of C) that clearly state compliance to the required specification and revision level as listed on the Purchase Order. Certification must list the part number, order number, lot (traceability) number, and the shipment date.

4. Overshipment

Subject to inspection and acceptance, buyer will be liable for payment only for quantities ordered and delivered. Quantities are to match the purchaser order unless a separate agreement is made between the seller and the buyer prior to shipping.

5. Changes

Changes in the delivery schedules, drawings, quantities, designs and specifications may be made when pre-authorized by the buyer in writing. Buyer may also make changes in the method of shipping or packing and place of delivery by any means of communication. When requested by the seller, the buyer reserves the right to enforce or waive supplier performance penalties based on timing and nature of change requested.

6. Defective Work

If any of the materials or services are defective in material or workmanship or otherwise not in conformance with the requirements of the order, buyer shall have the right to either reject them or to require their correction, and to return them at seller's risk and expense, including transportation both ways. Any penalties incurred from Engineered Products Company's Customers due to the supplier's inability to meet acknowledged order requirements will result in a debit or reduced payment.

7. Warranty

The seller warrants that all materials or services delivered hereunder will conform to the design and specifications, and to drawings, samples or other descriptions referred to in the order, will conform strictly to the requirements of the order, and will be free from defects in material and workmanship. Such warranties shall survive any inspection, delivery, acceptance, or payment by the buyer of the materials or services, for a period of six months following date of shipment, unless otherwise specified.

8. Taxes

Except as may be otherwise provided in the purchase order, the contract price shall include all applicable Federal, State and local taxes of any kind in effect on the contract date.

9. Title to Specifications

Buyer shall at all times have title to all drawings and specifications furnished by buyer to seller and intended for use in connection with the order. Seller shall not disclose such drawings and specifications to any person, firm or corporation other than buyers or sellers employees, subcontractors, or Government Inspectors, unless authorized by the buyer to do so. The seller shall, upon buyer's request, promptly return all drawings and specifications to the buyer.

Purchase Order Terms and Conditions

10. Buyer's Property

All material including tools, furnished or specifically paid for by buyer unless otherwise specified herein, shall be the property of the buyer, shall be subject to removal at any time without additional cost upon demand by the buyer, shall be used only as authorized by the buyer or in filling orders from the buyer, shall be kept separate from other materials or tools, and shall be clearly identified as the property of the buyer. Seller assumes all liability for loss or damage, with the exception of normal wear, and agrees to supply detailed statements of inventory promptly upon request.

11. Inspection

Seller agrees that Buyer or Buyer's customer shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of Buyer covered by the purchase order.

12. Confidentiality

Except as otherwise specifically agreed, all information disclosed by the buyer to the seller shall be buyer's property and shall be held in confidence by seller and used solely for the performance of the order. Seller shall take all reasonable precautions (a) to disclose such information within seller's organization only to those employees and agents who have a need to know in order to fulfill seller's obligations hereunder and who have agreed to keep the information confidential, and (b) to prevent any such information from being divulged to third persons not employed by seller.

13. Title and Risk of Loss

Title and risk of loss shall pass to buyer at the F.O.B. point, provided, however, that the risk of loss shall remain with seller as to goods which are not accepted by buyer or which are rejected by buyer. Unless otherwise specified all shipments shall be F.O.B origin.

14. Labor Disputes

Seller agrees that whenever an actual or potential labor dispute delays or threatens to delay the timely performance of the order, seller will immediately give notice thereof to the buyer.

15. Insolvency

In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against seller, including any proceeding under the applicable Federal or State Bankruptcy law currently in effect, or in the event of an appointment, with or without seller's consent, of an assignee for the benefit of creditors or of a receiver, the buyer shall be entitled to elect to cancel any unfilled part of the order without any liability whatsoever.

16. Equal Opportunity

Seller further agrees to comply with the provisions of all rules and regulations (including those of the Secretary of Labor) and Executive Orders (including Nos. 11246, 11375, 11625, 11701, and 11758) applicable to the order regarding nondiscrimination because of race, creed, color, sex, age, national origin, physical or mental disability, and veteran status.

17. Affirmative Action Notice

Vendors and subcontractors are notified that they may be subject to the provisions of: 41CFR Section 60-300.5(a); 41 CFR Section 60-741.5(a); 41 CFR Section 60-1.4(a) and (c); 41 CFR Section 60-1.7(a); 48 CFR Section 52.222-54(e); and 29 CFR Part 471, Appendix A to Subpart A with respect to affirmative action program and posting requirements.

This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veterans status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

18. Compliance with Laws

Seller shall comply with all Federal, State and local laws and in accordance with all safety and environmental regulations applicable to the order.

19. Governing Law

The Purchase Order shall be interpreted and governed in all respects according to the laws of the State of Iowa.