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Terms & Conditions of Purchase

From henceforth in this contract, "High Performance Alloys, Inc." shall be referred to as "HPA".

The seller shall be referred to as "supplier".

1. Acceptance of Contract

This contract constitutes the full agreement between both parties and supersedes, merges, and integrates any prior agreements, negotiations, offers, or otherwise concerning the subject matter here of. Supplier Acknowledgement, acceptance of payment, or commencement of performance constitutes acceptance of these terms and conditions.

2. Applicable Laws

Any issues or matters arising out of this contract shall be governed by the State of Indiana.

The supplier agrees to comply with all applicable local laws, state laws, federal laws, order rules, regulations, and ordinances. Acquire all licenses or permits; pay all fees and additional charges to include penalties for negligence in compliance to any requirements that are required to comply with all applicable laws to any governing authority with oversight of this contract.

3. Flow Down of requirements

The flow down of requirements in relation to this contract is required for all orders, sub tier suppliers, and to all sub processes used in fulfillment of this contract.

4. Retention of Records

Unless otherwise specified on the purchase order the standard retention period for all documentation and records created for a good or service provided to HPA shall be held for 7 years.



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5. Notice of Change

Suppliers shall be obligated to provide notice of changes in registration status with an accreditation body, in ownership, in facility location, personnel changes, regulatory status or other significant changes related to fulfillment of the requirements of this contract.

6. On-Site Inspection

HPA and its customers reserve the right to perform inspections and verification on-site at the supplier of product or services in performance of this contract, with reasonable notice provided.

7. Defense Priority Allocation System

If an order line item is identified under a priority rating the supplier shall follow all requirements of the Defense Priorities and Allocation System Regulation 15 C.F.R. Part 700.

8. Pricing and Payment

Pricing and payment terms shall not be adjusted after acceptance of this contract, without express, written consent of HPA.

9. Counterfeit Work

Counterfeit Work means work that contains unlawful representations, reproductions, substitutions, or alterations that have been knowingly misrepresented to be authentic or unmodified from an original manufacturer.

Suspect Counterfeit Work means work for which credible evidence provides reasonable doubt that a work is authentic.

The supplier shall not provide counterfeit or suspect counterfeit work to HPA and shall maintain a risk mitigation program to identify such works.

10. Rejection

HPA reserves the right to reject goods and services on the basis of quality, which will not be limited by industry practices, but shall include all aspects of this agreement, including: unauthorized delivery, conformance to purchase order requirements, and all other terms and conditions.

Rejection for failure to adhere to any and all aspects of the order agreement and these terms and conditions shall result in termination of the agreement with no compensation owed to the supplier for rejected or returned goods or services.

Where there is a disagreement in the interpretation of an industry standard necessary for the fulfillment of this contract, HPA reserves the right to reject goods with no compensation owed



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unless supplier provides a clarification from the governing body of the standard or an approval or rejection by the customer of HPA has been provided. Failure to meet an interpretations requirements, obtain an interpretation within 30 days, or receive an approval shall result in rejection.

11. Quality

11.1 Quality of Work

When the acceptance of a good or service by HPA was determined based on provided proof of conformance in a manner that would be acceptable under the requirements of this order, to be documentation for goods or services, physical measurements, statements by an agent of the supplier, and markings, shall be acceptable forms of proof. Goods or services provided to HPA and accepted by HPA in fulfilment of this contract that are later identified as a root cause for non-conformance shall hold the supplier subject to all associated liabilities and damages not bound or limited by any value of the good or service provided.

11.2 Acceptance of Goods and Services.

Latest revisions of all standards and supporting documentation shall be used to determine acceptance or rejection unless otherwise specified on the purchase order. Those revisions set by acceptance of this contract shall not be adjusted unless requested by or approved by HPA.

Alloys Supplied to HPA must conform to the following:

11.2.1.1 All applied specification requirements by this order.

11.2.1.2 If bar straightening, rolling, or other methods to lightly manipulate shape have been applied to an alloy lot being supplied to HPA, it must be uniformly applied to the whole lot. (Manipulation of test results by using a method to lightly stress portions of lots shall result in material rejection.)

Statements of conformance must include if material was uniformly manipulated after furnace work in such a manner.

11.2.1.3 Mercury Free - The material shall not have come into contact with or have been contaminated by mercury or other low melting point metals.

11.2.1.4 No Weld – The material shall not have been subject to welding or weld repair.

11.2.1.5 Preference for Domestic Specialty Metals – Alloys supplied to HPA shall state their compliance with DFARS 252.225-7001, DFARS 252.225-7002, DFARS 252.225-7008, and DFARS 252.225-7009

11.2.1.6 Conflict Free – Alloys supplied to HPA, shall conform to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010)



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11.2.1.7 Melt and Manufacture – The location of Melt and the location of Manufacture must be clearly stated to include the facility address and country where these steps took place.

Statements must be provided on certifications and reports acknowledging conformance to these requirements.

Cut material shall meet tolerance standards specified on this purchase order or ASTM and/or ASME tolerance standards when not specified, including out-of-square, and shall allow for clean-up to the dimensions specified.

11.3 Required Certifications, Reports, and Additional Statements.

All products and services supplied to HPA shall be subject to these documentation requirements or the agreement is subject to termination upon failure to meet these conditions:

11.3.1 All reports or certifications shall make a statement declaring verbatim:

“The recording of false, fictitious, or fraudulent statements on this document may be punishable as a felony under Federal Statutes, including Federal Law Title 18.”

11.3.2 Provided reports and certifications shall conform to EN 10204:2005 and make a statement declaring the Type of reporting provided (“Type 3.1”) or otherwise when applicable.

11.3.3 Material Test Reports shall be un-modified and show full traceability to the producing mill. Certifications of Conformance must be provided for each transition in ownership from the producing mill to HPA. All documents must be signed by the authorized representative certifying conformance to all applicable requirements.

11.3.4 Certifications of Conformance are required for all services and goods provided to HPA to include a statement specifying the conditions laid forth by the purchase order line item that have been met and be provided for each line item or partial shipment. Additional statements shall be provided acknowledging the material requirements laid forth in these terms and conditions under the material requirements subsection that apply to the purchase order.

11.3.5 Services that utilize furnace operations to meet the purchase order requirements, must supply furnace charts with delivery of the certification of conformance for the work done.

11.4 Testing and Retesting

Retesting shall not be permitted without a notice sent to and approved by the HPA Director of Quality and/or Metallurgist.

If additional testing is to be done in excess of the requirements to fulfill an HPA purchase order, notice must be sent to and approval provided by the HPA Director of Quality and/or Metallurgist. The testing service provider shall be subject to qualification requirements laid forth by HPA after review and all reports provided to HPA.

All tests done on goods of the same production lot that were provided to HPA and maintained as additional stocked items, remnants, or drops after termination of this contract due to completion of the order and acceptance of the goods or service by HPA



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must be provided to HPA any discrepancies and resulting damages that may be accrued due to any failure to notify HPA or provide this information shall be the responsibility of the supplier.

12. Requirement Prior to Shipment

12.1 Marking Requirements

The HPA purchase order number must appear on all packages and documentation related to this purchase order. Packages must be clearly identified to the associated line item.

12.2 Advance-Shipment Notice

Advance-Shipment Notices must be provided for all goods and be accepted by the HPA QA Director before they are released to ship, this notice must include requested delivery documentation required by this contract and these terms for a review prior to shipment by the agent of HPA to include but not limited to: material test reports, certifications of conformance, furnace charts, and process validation materials.

Attempted delivery of goods or services that have not been approved for release by an agent of HPA shall be rejected and delivery denied.

Rejection of goods as a result of pre-shipment notice review shall require the supplier to address the identified discrepancies before shipment may proceed and delivery accepted at a HPA facility. Identified issues that delay a shipment shall subject the order to the terms of the delivery window laid forth in these terms and conditions. Failure to address discrepancies shall result in cancellation of the order with no penalties, fees, damages, or other forms of compensation levied against HPA for goods not produced and delivered per the purchase order requirements.

If no irregularities are identified with the items subject to review and release; documentation, or other provided information and an unreasonable delay in excess of 1 business day takes place with the requested approval there shall be an added allowance to the purchase order due by date to match the delay caused.

13. Timely Performance

All transit fees accrued in excess due to the failure of the supplier to adhere to the terms of this contract shall be paid in full by the supplier of the good or service. HPA may store at the suppliers expense or return with collect shipping charges any goods received that do not adhere to these requirements.

If the supplier becomes aware of issues that may cause or will cause a delay the supplier shall provide notice promptly. Notices of delays shall not absolve the supplier of the responsibility to meet the original dates agreed upon or the terms of this contract.

In the event of termination of this contract for convenience or change, no claim will be allowed for the manufacture or procurement in advance of the suppliers normal work flow.



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13.1 Partial Delivery

Partial fulfilment of orders will be subject to all requirements of normal shipments with additional approval required. Partial shipments will be rejected unless agreed upon prior to delivery by the CEO, Director of Operations, or Controller of HPA.

13.2 Early Delivery

Delivery or execution of goods and services shall not be accepted by HPA earlier than 10 business days before the delivery date on the purchase order. Any attempt at early delivery that has not been approved by the Director of Operations, Controller or Chief Executive Officer of HPA by written approval shall be turned away until the accepted delivery window, payment terms shall be delayed until the good or service has been delivered or executed.

13.3 Late Delivery

Goods or Services that have been delayed resulting in delivery or execution to exceed 10 business days after the delivery date on a purchase order shall be denied acceptance and payment at the discretion of HPA and must be approved by the Director of Operations, Controller, or Chief Executive Officer of HPA to ship.

Goods or Services that have not been provided by a date 30 days after the original promise date, or exceeds delivery extension approval(s) from HPA. HPA reserves the right to reschedule, adjust quantities, and cancel goods or services with no claim for the manufacture or procurement of these goods or services lost by adjustment or cancellation.

13.4 Expedites

Expedite fees shall be the responsibility of the supplier for goods provided after a missed delivery date, or if applied to an order item that did not explicitly state to utilize expedited services on the purchase order documentation.

14. Export Control

The supplier of goods and services shall comply with all US export control laws and regulations, specifically 22 C.F.R. 730-774 and 31 C.F.R. 500-598 when specified on an HPA purchase order.

15. Termination, Cancellation, and Non-Delivery.

Stop work upon termination of this agreement. Cancellation of order line item shall be a notice to stop work for that item. Any additional work done after a notice of termination or cancellation will not fall under any claim for compensation. Non-delivery shall be considered termination of this agreement.



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16. Legal Notice

This purchase order and activities hereunder may be within the jurisdiction of the Department of Energy and/or Department of Defense. Any knowing and willful act of falsification, concealment, altering a material fact, or making fictitious statements or representation in connection with the performance of work under this purchase order may be punishable in accordance with federal statutes.

Acknowledgement

Seller Representative Acknowledgement,

Seller Company Name: _____

First and Last Name: _____

Title: _____

Date: _____

Signature: _____

High Performance Alloys, Inc. Representative,

First and Last Name: _____

Title: _____

Date: _____

Signature: _____



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