

MANGAS-AARKEL TOOL AND ENGINEERING INC.

GENERAL PURCHASE ORDER TERMS AND CONDITIONS:

Acceptance - Agreement

Seller's acknowledgement of this purchase order, commencement of work on the goods or services, as applicable, subject to this purchase order, or shipment of such goods, whichever occurs first, shall be deemed an effective mode of acceptance of this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms contained on the face and back hereof. Any proposal of additional or different terms by Seller, or any attempt by Seller to vary in any degree any of the terms of this purchase order in Seller's acceptance is hereby objected to and rejected by Purchaser.

Termination for Convenience of Purchaser

Purchaser reserves the right to terminate this purchase order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder, and shall immediately cause any of its suppliers or subcontractors to cease such work. Seller shall be paid a reasonable termination charge consisting of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination, plus actual direct costs resulting from termination. Seller shall not be paid for any work done after receipt of the notice of termination, or for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided, or for items of supplies or raw materials which can be used in the ordinary course of its business for its other customers.

Termination for Cause

Purchaser may terminate this purchase order or any part hereof for cause in the event of any default by Seller, or if the Seller fails to comply with any of the terms and conditions of the purchase order. Late deliveries, deliveries of products which are defective or which do not conform to this purchase order, or failure to provide Purchaser, upon request, of reasonable assurances of future performance, shall all be causes allowing Purchaser to terminate this purchase order for cause. In the event of termination for cause, Purchaser shall not be liable to Seller for any amount, and Seller shall be liable to Purchaser for any and all damages sustained by reason of the default which gave rise to the termination. Purchaser may immediately terminate this

purchase order without liability upon the happening of any of the following: (i) insolvency of the Seller; (ii) filing of a voluntary or involuntary petition in bankruptcy by or against Seller; (iii) appointment of a receiver or trustee for Seller; or (iv) execution of an assignment for the benefit of the creditors by Seller, provided that such petition, appointment, or assignment is not vacated or nullified within thirty (30) days after such event. Seller shall reimburse Purchaser for all costs which Purchaser incurs in connection with any of the foregoing whether or not this purchase order is terminated, including, but not limited to, all reasonable attorneys' fees.

Proprietary Information – Confidentiality – Advertising

Seller shall consider all information furnished by Purchaser, in whatever form, whether in writing, verbally, by demonstration, inspection or observation, to be confidential and shall not disclose any such information to any other person, or use such information itself for any purpose other than performing this purchase order, unless Seller obtains written permission from Purchaser to do so. This paragraph shall apply to drawings, specifications, or other documents prepared by Seller for Purchaser in connection with this purchase order. Seller shall not advertise or publish the fact that Purchaser has contracted to purchase goods or services from Seller, nor shall any information relating to this purchase order be disclosed without Purchaser's written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Purchaser shall be deemed secret or confidential and Seller shall have no rights against Purchaser with respect thereto, except such rights as may exist under patent laws.

Warranty

Seller warrants that all goods or services furnished under this purchase order shall conform to all specifications and appropriate standard provided by Purchasers, will be new, and will be free from defects in material or workmanship. Seller warrants that all such goods or services will conform to any statements made on the containers or labels or advertisements for such goods, or services, and that any goods will be adequately contained, packaged, marked and labeled. Seller warrants that all goods or services furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which goods or services of that kind are normally used. If Seller knows or has reason to know of the particular purpose for which Purchaser intends to use the goods or services, Seller warrants that such goods or services will be fit for such particular purpose. Seller warrants that goods or services furnished will conform in all respects to samples provided. Inspection, test, acceptance or use of the goods or services furnished hereunder shall not affect Seller's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use. Seller's warranty shall run to Purchaser, its successors, assigns and customers, and users of

products sold by Purchaser. The aforesaid warranty shall be in addition to those warranties provided by statute, common law and implied warranties. Nonconforming or defective goods may be returned to the Seller for, at the Buyer's option, full credit or replacement with new goods at the Seller's risk and expense, including all expenses for labor and materials in dealing with or removing the defective parts, all charges for handling, sorting, packaging and transportation both ways, incidental, consequential and special damages and loss of profits. No replacement of nonconforming goods may be made except as authorized by a replacement purchase order signed by Purchaser. In the event of failure of Seller to correct defects in, or replace, nonconforming goods or services promptly, Purchaser, after reasonable notice to Seller, may make such corrections or replace such goods and services, and charge Seller for the cost incurred by Purchaser in doing so.

Price Warranty

Seller warrants that the prices for the goods or services sold or provided to Purchaser hereunder are not less favorable than those currently extended to any other customer for the same or similar goods in similar quantities or the services provided. In the event that Seller reduces its price for goods or services during the term of this purchase order. Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this purchase order shall be complete, and no additional charges of any type shall be added without Purchaser's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, and crating.

Force Majeure

Purchaser may delay delivery or acceptance occasioned by causes beyond its reasonable control. Seller shall hold such goods at the direction of the Purchaser and shall deliver them when the cause affecting the delay has been removed. Purchaser shall be responsible only for Seller's direct additional costs in holding the goods or delaying performance of this purchase order at Purchaser's request. Causes beyond Purchaser's reasonable control include, but are not limited to, acts of God, labor disputes, governmental actions, orders or regulations, national emergencies, pandemics, epidemics, disease, quarantines, unavailability of raw materials, supplies or energy.

Patents

Seller agrees upon receipt of notification, to promptly assume full responsibility for the defense of any suit or proceeding which may be brought against Purchaser or its agents, customers, or other vendors for alleged patent infringement, as well as for any alleged unfair competition resulting from similarity in design, trademark or

appearance of goods or services furnished hereunder, and Seller further agrees to indemnify Purchaser, its agents and customers against any and all expenses, losses, royalties, profits and damages including court costs and reasonable attorney's fees resulting from any such suit or proceeding, including any settlement. Purchaser may be represented by, and actively participate through, its own counsel in any such suit or proceeding if it so desires, and the costs of such representation shall be paid for by Seller.

Insurance

Seller shall, at its expense, maintain insurance coverage in amounts reasonably satisfactory to Purchaser for Workers' Compensation, Employer's Liability and Comprehensive General, Bodily Injury and Property Damage, and Product Liability. Seller shall furnish Purchaser with certificates setting forth the amounts of coverage, policy number(s) and expiration date(s).

Indemnification-Remedies

Seller shall indemnify and hold harmless Purchaser, its agents, employees, customers, and users of its and their products against any and all suits, actions or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities, including reasonable attorneys' fees, resulting from the death or injury to any person or damage to any property arising out of the negligent performance of this purchase order by Seller or the goods or services provided hereunder, or with respect to matters and allegations that the goods or services provided are defective, unfit or unsafe, or that the goods or services provided do not meet applicable laws or regulations. This indemnification shall be in addition to the warranty obligations of Seller. The rights and remedies reserved to Purchaser in this purchase order are cumulative and additional to all other remedies available to Purchaser in law or equity.

Services at Other Locations

If labor or services in connection with this purchase order are performed at any locations occupied by, or under the control of, Purchaser or other party, Seller agrees to indemnify and hold harmless Purchaser, its agents, employees, customers, and users of its and their products against all suits, actions or proceedings, at law or in equity, and from all claims, demands, losses, judgments, damages, costs, expenses, or liabilities, including reasonable attorneys' fees, arising out of, or related to, the labor and services to be provided, whether or not related to the conduct of Purchaser, its employees or agents.

Changes to Goods and/or Services

Purchaser shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance of Seller, an equitable adjustment shall be made, and this purchase order shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph.

Quality Assurance

Seller shall maintain adequate and consistent quality control inspection and testing to assure that goods or services provided will conform to all specifications and appropriate standards provided by Purchaser, and shall, at Purchaser's request, furnish substantiated results of quality control inspections and testing. Seller shall notify Purchaser in writing before changing in any way the processes used in production for goods or services ordered by Purchaser under this purchase order.

Audit Right

Purchaser shall have the right, at any reasonable time, to send its authorized representatives to examine Seller's documents and materials relating to Seller's obligations under this purchase order or relating to Seller's charges to Purchaser.

Inspection/Testing

Payment for the goods delivered hereunder shall not constitute acceptance thereof. Purchaser shall have the right to inspect such goods and to reject any or all of said goods which are in Purchaser's judgment defective or nonconforming. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Seller at Seller's expense and, in addition to Purchaser's other rights, Purchaser may charge Seller for all expenses of unpacking, examining, repacking, and reshipping, such goods. In the event that Purchaser receives goods whose defects or nonconformity is not apparent upon examination, Purchaser reserves the right to require replacement, as well as payment of damages. Nothing contained in this purchase order shall relieve in any way the Seller from its obligation of testing, inspection and quality control.

Entire Agreement

This purchase order and any documents referred to herein and on the face hereof, constitute the entire agreement between the parties with respect to its subject matter, and supersedes all prior oral or written representations and agreements between the parties. No modification or amendment to this purchase order shall be made unless reduced to writing and signed by Purchaser and Seller.

Independent Parties

Seller and Purchaser are independent contracting parties and nothing in this purchase order will make either party the agent or legal representative of the other for any purpose, nor does it grant either party any authority to assume or to create any obligation on behalf of, or in the name of, the other.

Assignments and Subcontracting

No part of this purchase order may be assigned or subcontracted without the prior written approval of Purchaser. Any assignment or subcontracting without approval shall be void.

Set off

All claims for money due or to become due from Purchaser to Seller shall be subject to deduction or set off by the Purchaser by reason of any counterclaim arising out of this or any other transaction with Seller.

Shipment

If in order to comply with Purchaser's required delivery date it becomes necessary for Seller to ship by a more expensive way than specified in this purchase order, any increased transportation costs resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited handling has been caused by Purchaser.

Waiver

Purchaser's failure to insist on performance of any of the terms or conditions herein, or to exercise any right or privilege, or Purchaser's waiver of any breach hereunder shall not thereafter constitute a waiver of any other terms, conditions, or privileges whether of the same or similar type.

Limit on Purchaser's Liability – Status of Limitations

In no event shall Purchaser be liable for anticipated profits or for incidental, indirect, special or consequential damages. Purchaser's liability on any claim of any kind for any loss or damage arising out of, or in connection with, or resulting from, this purchase order, or from the performance or breach thereof shall in no case exceed the price allocable to the goods or services which gives rise to the claim. Purchaser shall not be liable for penalties of any description. Any action resulting from any breach on the part of Purchaser as to the goods or services delivered hereunder must be commenced within one year after the cause of action has accrued.

Compliance with Laws

Seller agrees that all goods shipped, or services provided, to the Purchaser under this purchase order will be produced in full compliance with all applicable laws including, but not limited to, the Fair Labor Standards Act.

Choice of Law

This purchase order and any contract formed hereunder, shall be governed by, and construed under the internal laws of the State of Alabama, without regard to principles of conflict of law, as the same may be from time to time in effect, including, without limitation, the Uniform Commercial Code as in effect in the State of Alabama.

Seller Compliance

The Seller agrees to comply with the following: A) Executive order 11246 as amended and all regulations promulgated pursuant to that Executive Order including but not limited to the provisions of paragraphs (1) through (7) of the “Equal opportunity Clause” and the “Certification of Non-Segregated Facilities” each of which is incorporated herein by reference. B) Section 503 of the Rehabilitation Act of 1973 including the applicable parts of the affirmative action clause entitled “Affirmative Action for Handicapped Workers” (41 CFR 50-741.4) incorporated herein by reference, and C) the Vietnam Era Veterans Readjustment Assistance Act (30 USC 2012) including the applicable parts of the affirmative action clause entitled “Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era” (41 CFR 60-250.4) also incorporated herein by reference.