

Date: Tuesday, January 26, 2010

Parallel Tool & Die, Inc. - Purchase Order Terms and Conditions

ACCEPTANCE:

These Terms, Conditions, and Quality Requirements represent the entire agreement applying to All Purchase Orders issued by Parallel Tool & Die, Inc. (hereinafter referred to as 'Parallel'). The Terms and conditions of a Purchase Order are those that apply to the purchase of materials, items, components, or services (hereinafter referred to as 'Material'). Parallel's acceptance is conditional on the Supplier's assent to these Terms and conditions, which will govern exclusively in accordance with the laws of the State of Missouri, notwithstanding any provisions of Supplier's documentation. Any changes in the Terms and conditions contained herein must specifically be agreed to in writing by an authorized officer of Parallel before becoming binding on Parallel.

PRICES:

All prices shown in a Purchase Order are firm and are not subject to adjustment unless agreed upon by both parties.

PAYMENT:

Unless otherwise set forth on the face hereof, payment terms are as per individual supplier agreements. Each shipment will be considered a separate and independent contract.

CHANGES:

Parallel may make changes to this Purchase Order, including to drawings and specifications for Material, or place of delivery, by giving written notice to Supplier. If such changes affect the cost of or the time required for performance of this Purchase Order, an equitable adjustment in the price or date of delivery or both will be made. No change by Supplier is allowed without written approval from Parallel. Any request by Supplier for an adjustment under this Article must be made in writing within thirty (30) days from the date of Purchase Order receipt. Nothing in this Article excuses Supplier from delivering the Material described in this Purchase Order.

The supplier shall notify the buyer of any changes in the supplier's organization, plant location and/or manufacturing processes.

CANCELLATION AND RESCHEDULING:

This Purchase Order may be terminated or suspended by Parallel in whole or in part. Parallel will deliver to the Supplier a written notice specifying the extent to which performance and/or the deliveries of Material under this Purchase Order are terminated and/or suspended and the date upon which such action shall become effective. In the event of such action, Parallel shall pay Supplier for the Material satisfactorily provided to the effective date of termination or suspension. In this case, Supplier may submit a proposal to Parallel for equitable increase in the prices to account for costs of demobilization and direct termination expenses. The termination of this Purchase Order shall discharge any further obligations of either party.

DELIVERY FORCE MAJEURE:

If any Material is not delivered by the date specified herein, Parallel reserves the right, without liability, to cancel this Purchase Order as to any Material not yet shipped or tendered, and to purchase substitute Material and to charge the Supplier for any loss incurred. Oral cancellation notices made by Parallel or the Supplier, are effective when made, but must be confirmed in writing. Any provisions hereof for delivery by installment shall not be construed as making the obligations of the Supplier severable. The Supplier shall notify Parallel in writing promptly of any delays (however caused) which delays or threatens to delay the timely performance of this Purchase Order. If the Supplier is unable to complete performance at the time specified for delivery hereunder, by reason of strikes, labor disputes, riot, war, fire or other causes beyond the Supplier's reasonable control, Parallel, at its option, may elect to take delivery of Material hereunder in its unfinished state and to pay such proportion of the contract price as the work then completed bears to the total work hereunder and to cancel this Purchase Order without liability as to the balance of the Material covered hereunder.

**INSPECTION & CONTROL
OF NONCONFORMING
MATERIAL:**

The Material must conform exactly as specified in the Purchase Order. They are to be free from all defects and nonconformities in design, workmanship, and materials. The Material is subject to inspection and test by Parallel at any time and place. If the Material furnished is found to be defective, Parallel may reject them, or require the Supplier to correct them without charge, or require a reduction in price which is equitable under the circumstances, and/or file corrective action with the supplier. The Supplier may not submit nonconforming Material or services unless previously authorized in writing by Parallel. Requests for the acceptance of non-conforming Materials or services by Parallel must be made in writing through the Parallel Purchasing Department with final acceptance requiring approval from an authorized officer of Parallel. If the Supplier is unable or refuses to correct such items within a time deemed reasonable by Parallel, Parallel may terminate this Purchase Order in whole or in part. Supplier bears all risks associated with rejected Material. Supplier will reimburse Parallel for all transportation costs, other related costs incurred, and overpayments in respect of the neglected goods and services.

**REJECTED MATERIAL
RESUBMISSION:**

All articles and materials rejected by Parallel and subsequently resubmitted by the Supplier to Parallel should bear adequate identification of such resubmission.

WARRANTY:

Supplier warrants to Parallel that goods supplied under this Purchase Order are free from defects in material, workmanship and design, suitable for the purposes intended implied, in compliance with all applicable specifications and free from liens or encumbrance on title. All services are performed in accordance with current, sound, and generally accepted industry practices by qualified personnel trained and experienced in the appropriate fields.

LIMITATION OF LIABILITY:

Liability of Parallel to the Supplier, if any, under this contract for breach of contract or warranty, negligence or otherwise will in no event exceed the total contract price specified herein less the purchase price of any Material delivered and accepted hereunder. Except for damages caused by the negligence of Parallel, Supplier shall defend, indemnify and hold Parallel harmless from all claims, actions, demands, loss and cases of action arising from injury, including death, to any person, or damage to any property, when such injury or damage results in whole or in part from the acts or omissions of Supplier.

CONFIDENTIALITY:

In the performance of the Purchase Order, the Supplier and its subcontractors, if any, may have access to confidential information (hereinafter referred to as the "Confidential Information") which Parallel must protect from disclosure. The Supplier undertakes to hold all of the Confidential Information it receives in strict confidence and neither to disclose nor release in any manner such Confidential Information to any third party nor to use such Confidential Information for any other purpose than the one for which Parallel has disclosed same; to disclose Confidential Information only to those of its employees or agents who need to know such Confidential Information for the said purpose. The Supplier warrants that such employees or subcontractors are obligated to and will hold Confidential Information in strict confidence and to take all reasonable measures to ensure that confidentiality is respected. The Supplier shall indemnify and hold harmless Parallel, its officers, directors and employees from and against any and all liabilities, claims, suits, demands, disputes, recourses, damages and expenses including, without limitation, reasonable legal fees arising from any and all claims in respect of, or resulting from, the use or the disclosure of Confidential Information by the Supplier, its employees or subcontractors.

RIGHT OF ACCESS:

The Government, Regulatory Authorities, Parallel and our customers shall have the right of access to the facilities of the seller and all subcontractors including customer approved or designated sources, for the purpose of reviewing applicable records to include Certifications, Test Data, Release Notes or any other quality records for all material shipped to Parallel.

**FLOW DOWN
REQUIREMENTS:**

The Supplier is required to flow down requirements to your sub-tier suppliers as part of a purchase order. Flow down requirements are identified on the face of the purchase order.