

**GENERAL TERMS AND CONDITIONS OF PURCHASE**

**1. Acceptance-** This purchase order ("Order") constitutes an offer to purchase by A.M. Castle & Co., its subsidiaries and affiliates ("Buyer") and is expressly limited to the terms hereof. This Order becomes a binding contract of the terms set forth herein when it is accepted either by acknowledgment by Seller or by Seller's commencement of performance hereof. No revisions or modifications to this Order shall be valid unless in writing and signed by an authorized representative of Buyer; and no conditions stated by Seller in accepting or acknowledging this Order shall be binding upon Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein, unless expressly accepted in writing by Buyer. In the event of a conflict in terms of Seller's contract proposal and this Order, the terms of this Order shall govern.

**2. Packaging and Crating-** All ordered items shall be packed by Seller in suitable containers for protection in shipment and storage. Any special packing, crating, shipping or unloading requirements must be agreed upon in advance. Packaging for this Order, if exported on behalf of Buyer by Seller, shall be in compliance with ISPM 15: International Solid Wood Packaging Regulations, and in such event, all solid wood packaging must bear the ISPM 15 mark. Prices set forth in this Order include all charges for Seller's packing, crating, storage, and for transportation to f.o.b. point.

**3. Inspection-** All ordered items will be subject to final inspection and approval at the destination by Buyer. Buyer reserves the right either to reject and hold (at Seller's expense) all items not conforming to drawings, specifications and/or samples, or to return non-conforming items freight collect to Seller in Buyer's sole discretion. No items returned as defective shall be replaced without an order. If any item fabricated by Seller from material furnished by Buyer is rejected by Buyer due to Seller's fault or failure to meet the requirements of drawings, specifications, and/or samples, Seller shall, at Buyer's sole option, either replace such material at its own expense or pay Buyer the replacement cost of the material used therein. Seller will be charged replacement costs of Buyer's materials or tools damaged while in Seller's possession.

**4. Price Changes-** Prices specified on this Order shall not be subject to change without Buyer's consent. Seller shall give Buyer the benefit of any price decline to the specified shipping date or to the actual date of shipment, whichever is later. If, during its performance hereunder, Seller sells to any other customer items of the type and quantity purchased hereunder on more favorable conditions or terms, including price, Seller shall have the obligation to notify Buyer of the same, and Buyer shall have the right, at its sole option, to have the more favorable conditions or terms apply to this Order.

**5. Advance Manufacturing and Shipments-** Seller agrees to deliver items in strict conformance to Buyer's delivery schedule as it appears on the face of this Order and agrees that Buyer may return, at Seller's expense and risk, all items shipped otherwise. If Seller fails to meet the delivery schedule specified by Buyer with the result that Buyer is compelled to call upon Seller to ship by other than designated routing to expedite delivery, Seller shall assume the difference for the additional cost of transportation. Seller shall not manufacture items or order materials in furtherance of this Order in advance of Seller's required flow-time or deliver any items in advance of Buyer's delivery schedule without Buyer's written permission. Seller agrees to notify Buyer in writing of any potential delay in shipment. Unless specific shipping tolerances are stated on the face of this Order, Seller shall be responsible for the delivery of at least the amount and weight of items ordered by Buyer. In the event of a shortfall, Buyer shall be entitled to an equitable adjustment to the purchase price or to demand that Seller deliver additional items in the amount of the shortfall at Seller's sole cost on an expedited basis. Furthermore, Buyer reserves the right to return to Seller (at Seller's sole expense) or retain (at no cost to Buyer), items delivered under this Order in excess of the amount ordered.

**6. General Warranty-** Seller warrants that all of the items furnished under this Order are free and clear of all liens and encumbrances whatsoever and that Seller has good and marketable title to the same. Seller agrees to hold Buyer free and harmless against any and all claimants to said items. Seller further warrants that all of the items furnished under this Order will be free from defects in materials and workmanship; will conform to applicable specifications, drawings, samples and/or other descriptions given; and shall be fit and sufficient for the purpose intended. Said express warranty shall remain in effect as to each item for a period of 12 months after it is applied to a use for which it was designed, except that said warranty shall be deemed to have been satisfied with respect to items of Buyer's design (with respect only to conformity and design), if at the time of final inspection by Buyer in the normal course of Buyer's operations, such items are not found to be defective. The foregoing period and time may be extended by written agreement and shall be deemed to be extended for such greater period of time as may be specified in Seller's standard warranty or service guarantee. The aforesaid express warranty shall be in addition to any standard warranty or service guarantee given to Buyer by Seller. All warranties shall be construed as conditions as well as warranties and shall not be deemed to be exclusive. Seller shall furnish to Buyer three copies of Seller's



standard warranty and service guarantee applicable to this Order. All warranties and service guarantees shall run both to Buyer and to its customers. In addition, Seller agrees to pass any warranty benefits to Buyer that Seller receives from its suppliers of any item ordered hereunder.

**7. Termination-** (a) If the items covered by this Order are standard stock, Buyer at its sole option may cancel at any time any unshipped portion of this Order without further obligation, except to make payment subject to other applicable terms hereof, for the items actually shipped prior to such cancellation. (b) If this Order covers items specially manufactured or fabricated to Buyer's specifications or specifications prepared by Seller specially for Buyer, Buyer may terminate such work under this Order (in whole or part) at any time by notice to Seller, and upon such termination, Seller will stop work immediately, notify subcontractors to stop work and protect property in Seller's possession in which the Buyer has or may acquire an interest. (c) Except where such termination is occasioned by a default or delay of Seller (other than one due to causes beyond Seller's control and without Seller's fault or negligence), Seller may claim reimbursement for Seller's actual costs incurred (up to and including the date of termination) that are properly allocable or apportionable under recognized accounting practices to the terminated portion of this Order, including liabilities to subcontractors that are so allocable and acceptable finished items at contract price not previously billed or paid for, but excluding any charge for interest or any materials or items which Seller may be able to divert to other orders. Seller may also claim a reasonable profit on the work actually completed by Seller prior to such termination, the rate of which shall not exceed the rate used in establishing the original Order price. The total of such claims shall not, however, exceed the canceled commitment value of this Order.

**8. Patent and Trademark Protection-** To the extent that the items delivered hereunder are not manufactured pursuant to a Buyer-originated design or pursuant to a Buyer-directed process, Seller guarantees that the sale or use of any or all items delivered hereunder or processes used will not infringe on any patent, trademark, or copyright. Moreover, Seller will (a) save Buyer and its successive customers harmless; (b) indemnify Buyer and its successive customers against all claims, losses and damages; (c) defend Buyer and its successive customers against all claims and legal actions; and (d) pay all claims, judgments, awards, costs and expenses, including attorneys' fee, which Buyer may incur or become liable to pay under the patent laws of the United States or other countries resulting from the use of any items purchased hereunder or by reason of trademark or copyright infringement arising out of the sale, marketing, packaging or advertisement of the items furnished by Seller. Furthermore, Seller will, at its own expense, in the event any or all of the items purchased hereunder are held to constitute an infringement and the uses enjoined, procure for Buyer the right to continue using said items royalty free or replace same to Buyer's satisfaction with noninfringing items of equal quality and performance. In the event this Order covers materials, machinery, equipment and/or manufacturing apparatus, the development or design of which is the concept of or is paid for or suggested by Buyer, all patent rights incident thereto shall automatically become the exclusive property of Buyer, and Seller shall cooperate with Buyer in obtaining all such patent rights for Buyer. Buyer shall have no obligation to deal with Seller in connection with the repair or replacement of any patented or unpatented element incorporated in any items purchased hereunder. For the avoidance of doubt, nothing contained herein shall prevent Buyer and its successive customer to participate in the defense of any action for copyright, patent or trademark infringement.

**9. Insurance, Risk of Loss, and Indemnification-** (a) Whenever Seller shall, by virtue hereof, have in its possession materials, tooling, models, patent, drawings and/or other personal property belonging to Buyer or furnished by Buyer to Seller or otherwise in Seller's custody or possession, Seller shall be deemed to be an insurer thereof and shall be responsible for its safe return to Buyer. Seller shall maintain at all times during the performance of work hereunder adequate worker's compensation insurance to cover all of its general and special employees engaged in such work and insurance to insure against any claims for injury or to death of persons or destruction or damage of property (including Buyer's employees and property) that may arise from Seller's actions or omissions in the performance of work hereunder. Such insurance shall specifically include contractual liability coverage. In the event Seller is required to enter the premises owned, leased, occupied or under the control of Buyer for the performance of services ordered hereunder or during delivery or installation of items, Seller shall obtain and present to Buyer, prior to the performance of said services, a certificate of insurance from an insurance company acceptable to Buyer evidencing coverage for general liability and workmen's compensation in amounts acceptable to Buyer. (b) Unless otherwise provided in this Order, Seller shall have title to and bear the risk of any loss or damage to the items purchased hereunder until they are delivered in conformity with this Order at the f.o.b. point specified on the face of this Order; and upon such delivery, title shall pass from Seller to Buyer, and Seller's responsibility for loss or damage shall cease except for loss or damage resulting from Seller's negligence or failure to comply with this Order. Passing of title upon such delivery shall not constitute acceptance of the items by Buyer. (c) Notwithstanding anything to the contrary contained in this Order, Seller shall be an independent contractor of Buyer and agrees to indemnify and hold harmless Buyer, its officers, directors and employees ("indemnified parties") from any cost, damage, expense or other loss or liability arising out of any claim or suits, whether in law or in equity, which may be asserted or brought against any of the indemnified parties

hereunder, for property damage or destruction, personal injury or death or any other damages of whatsoever nature or kind, including claims of consequential loss and breach of contract as a result of performance of the work, products or the workmanship or the actions or omissions of the Seller or its employees, agent, or sub-contractor. Seller agrees to pay and/or reimburse Buyer for any expenditures, including attorneys' fees and amounts paid in settlement, which Buyer may make or become liable for in connection with the investigation, settlement, defense or otherwise by reason of such claims or suits, and, if requested in writing by Buyer, will defend any such claims or suits with counsel acceptable to Buyer at the sole cost and expense of Seller. Furthermore, Seller agrees to pay and to discharge any judgment, orders or decrees rendered or entered against any of the indemnified parties for any matter indemnified hereunder; provided that Buyer may retain any money due or that becomes due to Seller sufficient to reimburse Buyer against any such claims, demands, judgments or liability.

**10. Assignment-** No right, interest or obligation under this Order may be assigned by Seller without the written permission of Buyer. Any attempted assignment thereof shall render it voidable at the option of Buyer. Buyer's written permission allowing Seller to make an assignment of payments under this Order shall be subject to set-off of any present or future claim or claims which Buyer may have against Seller. Seller agrees that Buyer may assign its rights and/or delegate its duties hereunder in whole or in part. Seller shall not subcontract the furnishing of any of the complete or substantially complete items required by these General Terms and Conditions of Purchase without the prior written approval of Buyer.

**11. Cancellation for Insolvency-** In event of any suspension of payment or the institution of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or under any provision of the United States Bankruptcy Act or for the appointment of a receiver or trustee or an assignee for the benefit of creditors of either party, or in the event of breach of any of the terms hereof, including warranties of Seller, the other party shall be entitled to cancel this Order forthwith, without liability for loss of anticipated profit.

**12. Confidential-** The Seller shall not disclose any details connected with this Order to any third party, except as may be required to ensure performance, without first obtaining the written consent of the Buyer.

**13. Tools and Materials-** Title to and the right of immediate possession of all tooling, designs, patterns, drawings and materials furnished by Buyer to Seller for use hereunder shall be and remain in Buyer. When the cost of dies and tools of negatives and plates involved in the manufacture or production of items covered by this Order are included in the price per unit, then such dies and tools or negatives and plates become the property of Buyer upon completion of this Order. Any dies and tools or negatives and plates otherwise paid for by Buyer shall forthwith become its property.

**14. Payment-** Payment for items shall not constitute an acceptance thereof. All items purchased hereunder shall be received subject to Buyer's inspection and rejection. Payment shall be made as stated on this Order less customary cash discounts, unless otherwise specifically arranged for and stated on this Order. In the event that items have not been received, Buyer reserves the right to withhold payment until items have been received, inspected, and approved; and in such event, Buyer does not waive the right to deduct the cash discount. When invoices subject to discount are not mailed on the date of shipment, the discount period will begin on the date invoices are received by Buyer. Buyer's count will be accepted as final on all shipments not accompanied by a packing list. Payment of this Order will be subject to deduction of any valid claim against Seller arising from this Order or any other transaction between Buyer and Seller.

**15. Force Majeure-** Seller shall not be liable for any delay in or failure of performance hereunder due to any contingency beyond its reasonable control, including an act of God, war mobilization, insurrection, rebellion, civil commotion, riot, acts of an extremist or public enemy, sabotage, labor dispute, lockout, strike, explosion, fire, flood, storm, accident, drought, embargo, law, ordinance, rule or regulation, whether valid or invalid. Similarly, Buyer shall not be liable for failure to take delivery of the items for any of the above causes beyond Buyer's control if it renders it impossible for Buyer to receive or use the items ordered. When only a part of Seller's or Buyer's capacity to perform is excused under this paragraph, Seller or Buyer must allocate production, deliveries or receipt of deliveries among various customers or suppliers then under contract for similar items during the period when Buyer or Seller is unable to perform. The allocation must be effected in a commercially fair and equitable manner. When either Seller or Buyer claims an excuse for nonperformance under this paragraph, it must give written notice to the other party. When an allocation has been made, notice of the estimated quota made available for Buyer or Seller, as the case may be, must be given. Seller shall not be obligated to sell, nor shall Buyer be obligated to purchase at a later date, that portion of the items that Seller is unable to deliver or Buyer is unable to receive or use because of any of the aforementioned causes beyond the control of the parties. No items are to be tendered by Seller after the expiration of the scheduled delivery date without the consent of Buyer.

**16. Compliance with Laws-** Seller represents and warrants that in the performance of the work under this Order and in the manufacture of items requested under this Order, it has complied with or will comply with all applicable federal, state and local laws and ordinances, and all lawful orders, rules and regulations thereunder, including, but not

by way of limitation, the Fair Labor Standards Act of 1938, as amended (29 USC §201-219), the Walsh-Healey Public Contracts Act as amended (41 USC §35-45), the Eight Hour Law of 1912, as amended (40 USC; §324-326), the Copeland Anti-Kickback Act (41 USC §51-54), Service Contracts Act of 1965 (41 USC §351), the Davis Bacon Act (40 USC §276(a)), Contract Work Hour Standards Act of 1962, as amended (40 USC §327330), the Occupation Safety and Health Act of 1970, as amended (29 §651-678), the rules and regulations of the Secretary of Labor issued pursuant to Section 201 of Executive Order 11246, as amended, and Executive Order 11245, as amended, and Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

For the avoidance of doubt, Seller acknowledges that all items provided under this Order must be free of “conflict minerals” from “covered countries” or otherwise provided by Seller in accordance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Seller represents, warrants and covenants its compliance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the provision of all items provided under this Order.

Buyer is a DDTC registered exporter. If Seller is supplying military articles to Buyer, Seller must be registered with the DDTC as required by the International Traffic in Arms Regulations (ITAR), and is responsible to comply with all U.S. exporting and importing regulations.

**17. Right of Access Claims-** Seller shall provide access to its facilities and the facilities of its subcontractors for inspection by Buyer, its designated representative, the United States government or any state government or federal regulatory agency or other customers or parties authorized by Buyer. Seller shall assure that all contracts with subcontractors state that such access and inspection shall be permitted. Buyer or its representative shall also have the right to perform quality audits at any facility used in the performance of this Order. Such inspections or audits shall be made during normal working hours with reasonable prior notice.

**18. Toxic Substance-** The Seller represents and warrants that each and every chemical substance contained in items furnished pursuant to this Order is, at the time of sale, transfer or delivery, on the chemical substances list compiled and published by the United States Environmental Protection Agency pursuant to Section 8 of the Toxic Substance Control Act (15 U.S.C. 2601 et. seq.) and is otherwise manufactured, sold, furnished, transferred or delivered in compliance with all applicable provisions of such act and the rules and regulations promulgated thereunder.

**19. Entire Agreement-** In accepting this Order or performing any work pursuant hereto, Seller agrees to all of the terms and conditions stated herein. This Order, together with any written documents, which may be attached hereto, and/or incorporated by specific reference, constitutes the entire agreement between the parties and supersedes all previous communications between them, either oral or written. All such previous communications are hereby abrogated and withdrawn, and no stipulations, representations, or agreements by Buyer or any of its officers, agents or employees shall be binding on Buyer unless reduced to writing and attached to and incorporated in this Order by reference as above provided and no local, general or trade custom shall alter or vary the terms hereof.

**20. Construction-** This Order shall be construed in accordance with the laws of the State of Illinois. Seller and Buyer agree that any litigation arising out of the matters set forth in this Agreement will be litigated in the federal courts of the Northern District of Illinois. The provisions hereof are severable, and, in the event any is held to be unenforceable, the remaining provisions will continue in full force and effect. Failure of Buyer to insist on timely performance by Seller of any obligation created hereby shall not constitute a waiver.

#### **Federal Acquisition Regulation/Defense Federal Acquisition Regulation Flow-Downs**

To the extent this Order is for items being purchased by Buyer as a prime contractor or subcontractor (directly or indirectly) to the U.S. Government, the attached list of FAR/DFARS clauses shall be incorporated into this Order by reference, and Seller represents and warrants that in the performance of the work under this Order and in the manufacture of items requested under this Order, it has complied with such clauses, unless any such clause is clearly inapplicable to Seller or this Order, in which case the inapplicable clause(s) shall be self-deleting. Further, the date of the referenced FAR/DFARS clause shall be as listed in the applicable prime contract or subcontract of Buyer.

<b><u>Clause Reference</u></b>	<b><u>Subject of Clause</u></b>
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government
FAR 52.203-7	Anti-Kickback Procedures
FAR 52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity

FAR 52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions.
FAR 52.203-13	Contractor Code of Business Ethics and Conduct
FAR 52.203-17	Contractor Employee Whistleblower Rights
FAR 52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
FAR 52.204-2	Security Requirements
FAR 52.204-9	Personal Identity Verification of Contractor Personnel
FAR 52.204-21	Basic Safeguarding of Covered Contractor Information Systems
FAR 52.209-5	Certification Regarding Responsibility Matters
FAR 52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment.
FAR 52.219-8	Utilization of Small Business Concerns.
FAR 52.219-9	Small Business Subcontracting Plan
FAR 52.222-4	Contract Work Hours and Safety Standards—Overtime Compensation
FAR 52.222-20	Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000
FAR 52.222-21	Prohibition of Segregated Facilities.
FAR 52.222-22	Previous Contracts and Compliance Reports
FAR 52.222-26	Equal Opportunity
FAR 52.222-35	Equal Opportunity for Veterans
FAR 52.222-36	Equal Opportunity for Workers with Disabilities
FAR 52.222-37	Employment Reports on Veterans
FAR 52.222-40	Notification of Employee Rights Under the National Labor Relations Act
FAR 52.222-50	Combating Trafficking in Persons
FAR 52.223-18	Encouraging Contractor Policies To Ban Text Messaging While Driving
FAR 52.225-1	Buy American – Supplies
FAR 52.225-2	Buy American Certificate
FAR 52.225-5	Trade Agreements
FAR 52.225-8	Duty-Free Entry
FAR 52.225-13	Restrictions on Certain Foreign Purchases
FAR 52.227-1	Authorization and Consent
FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
FAR 52.227-3	Patent Indemnity
FAR 52.234-1	Industrial Resources Developed Under Title III, Defense Production Act
FAR 52.242-15	Stop-work order
FAR 52.243-1	Changes- Fixed Price
<b><u>Clause Reference</u></b>	<b><u>Subject of Clause</u></b>
FAR 52.244-6	Subcontracts for Commercial Items
FAR 52.245-1	Government Property
FAR 52.247-63	Preference for U.S.–Flag Air Carriers
FAR 52.247-64	Preference for Privately Owned U.S.–Flag Commercial Vessels
FAR 52.248-1	Value Engineering
FAR 52.249-2	Termination for Convenience of the Government
DFARS 252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting
DFARS 252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support
DFARS 252.208-7000	Intent to furnish precious metals as Government-furnished material
DFARS 252.211-7003	Item unique identification and valuation
DFARS 252.219-7003	Small Business Subcontracting Plan
DFARS 252.225-7001	Buy American and Balance of Payments



DFARS 252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals
DFARS 252.225-7012	Preference for certain domestic commodities
DFARS 252.225-7015	Restriction on acquisition of hand or measuring tools
DFARS 252.225-7021	Trade agreements
DFARS 252.225-7033	Waiver of United Kingdom levies
DFARS 252.225-7043	Antiterrorism/force protection policy
DFARS 252.226-7001	Utilization of Indian organizations, Indian-owned economic enterprises, and native Hawaiian small business concerns
DFARS 252.227-7017	Identification and assertion of use, release, or disclosure restrictions
DFARS 252.227-7019	Validation of asserted restrictions—Computer software
DFARS 252.227-7025	Limitations on the Use or Disclosure of Government–Furnished Information Marked with Restrictive Legends
DFARS 252.227-7026	Deferred delivery of technical data or computer software
DFARS 252.227-7027	Deferred ordering of technical data or computer software
DFARS 252.227-7028	Technical data or computer software previously delivered to the government
DFARS 252.227-7030	Technical data—withholding of payment
DFARS 252.227-7037	Validation of restrictive markings on technical data
DFARS 252.235-7003	Frequency authorization
DFARS 252.244-7000	Subcontracts for Commercial Items
DFARS 252.246-7003	Notification of Potential Safety Issues
DFARS 252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System
DFARS 252.246-7008	Sources of Electronic Parts
DFARS 252.247-7022	Representation of extent of transportation by sea
DFARS 252.247-7023	Transportation of supplies by sea
DFARS 252.247-7024	Notification of transportation of supplies by sea
DFARS 252.249-7002	Notification of anticipated contract termination or reduction