

# SOURCE ONE METALS, INC.

## Foundry Terms & Conditions

All quotations are made and all casting sold upon the following terms and conditions.

1. ACCEPTANCE OF ORDERS – Seller hereby expressly objects in advance to the provisions of any purchase order form, or any other document submitted by the Buyer, which conflicts with, alters, moderates or changes or seeks to modify, alter or change the terms and conditions set forth herein. Any acceptance of the Buyers orders by the Seller is made expressly conditional on the Buyer's acceptance of the terms and conditions set forth on this document, and no contract shall exist until Buyer has agreed and accepted in writing the terms and conditions set forth herein, or until the Buyer and Seller have mutually agreed in writing to alter or modify the terms and conditions. Modified or additional terms and/ or conditions will be binding on Seller only if expressly accepted on writing by an authorized representative of the Seller.
2. Unless otherwise agreed, quotations must be accepted, and patterns furnished, to the foundry within sixty (60) days from the date of the quotation.
3. All castings are sold as un-machined castings, with head, gates, fins and similar extraneous metals removed, f.o.b. foundry. Terms thirty (30) days net, from invoice date.
  - a. Payment of all amounts due, as evidenced by the account, shall be made no later than the due date as indicated on each invoice under the heading "Terms".
  - b. Amounts in default under "Terms" as indicated in item (a) above, will be subject to a late payment charge from the date of default.
  - c. Should it be necessary to assign the account balance to a licensed collection agency or attorney for legal action, all subsequent collection charges and legal fees shall be paid by the Buyer.
4. Claims for error in weight or number must be made within ten (10) days after the receipt of castings.
5. Foundry is responsible for the replacement of castings rejected due to foundry defects and such castings must be reported and returned to the foundry within ninety (90) days after their receipt. Foundry is not responsible for machine work, welding, labor charges, or other losses or damages caused by defective castings unless otherwise agreed in writing.
6. Foundry is not responsible for loss or damage to patterns by fire or other casualties beyond its control.
7. Foundry shall not be liable in damages for failure to deliver as a result of fires, strikes, accidents, or other causes beyond its control.

### QUOTATIONS

8. Blue prints submitted for estimating purposes should be marked with rough casting weight, if known, or an estimated weight upon which quotation will be based. A detailed description of the pattern equipment should be furnished.
9. When quotations involve the making of piece prices, definite weights shall be established and agreed upon, and quotations shall be subject to revision on any variation from the established weights.
10. Unless otherwise specified by the foundry, quotations are based on castings with gates, fins, and other projections removed to approximate the contour of the pattern.

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## ORDERS

11. No order shall be changed unless notice of revision is made and accepted in writing before it's in process. If work is in process, customer is to be charged for any castings made as well as cost of cores, molds, or equipment discarded because of such changes.
  - a. All quotations are subject to metal surcharges appearing on either the face of the quotations or in general notice sent in writing to customer and will remain un-cancelled.
12. Cancellations of orders are to be made only by mutual consent of the customer and the foundry.
13. Unless otherwise stipulated, the customer shall accept and overrun of 10 percent above quantities specified on order. However, the foundry is to make an effort at all times to furnish as near to the exact quantity specified as operating conditions will permit.
14. If customer requires special production service to secure unusual deliveries, and extra charge may apply.

## PATTERNS AND CORE BOX EQUIPMENT

15. Customers must supply pattern and core box equipment in condition to produce economically the quantity and quality of castings required.
16. An extra charge may apply if patterns require stopping of or if skeleton or sweep pattern equipment is furnished.
17. Foundry is not responsible for variations existing between blueprints and pattern and core box equipment supply by the customer. If requested by the customer, foundry will check patterns and core box equipment with blueprints at the customer's expense, unless otherwise agreed by the foundry.
18. All patterns, core boxes, and loose pieces thereof, should be marked properly for identification.
19. Follow boards, core driers and similar devices, when required, are to be furnished by the customer.
20. Repairs and changes to patterns by customer's orders will be made at the expense of the customer.
21. All freight, boxing, and crating charges on patterns, both to and from the foundry, shall be assumed by the customer.
22. Pattern storage facilities are provided by foundry for active patterns only. Patterns not in use for a period of six (6) months will be returned to the owner or will be subject to storage fees.