



Kaller Purchase Terms and Conditions

Revised 12/08/2017

1. **BUYER.** For purchases made by the Kaller brand's United States operations, "Buyer" shall mean Barnes Group Inc. through its Kaller brand. For purchases made by the Kaller brand's Mexico and Canada operations, the Buyer shall be as follows: for the Kaller brand in Monterrey, Mexico the Buyer shall be A.S. Monterrey S. de RL de C.V.; for the Kaller brand in Puebla, the Buyer shall be Associated Spring Mexico, S. de R.L. de C.V.; for the Kaller brand in Canada, the Buyer shall be Barnes Group Canada Corp. "Seller" shall mean the company noted on the purchase order as selling the goods or services,
2. **ACCEPTANCE:** This purchase order shall be deemed accepted by Seller's acknowledging receipt of this order, by Seller's commencement of services or work on the goods ordered, or by Seller's shipment of the goods, whichever first occurs. Any acceptance of this purchase order is limited to acceptance of the express terms and conditions contained within this purchase order. Additional or different terms in Seller's form or any attempt by Seller to vary in any degree any of the terms of this purchase order shall be deemed material and are objected to and rejected, but this shall not prevent the formation of a contract between Buyer and Seller unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods or services, and the order shall be deemed accepted by Seller without said additional or different terms.
3. **PRICE:** The prices set forth on this purchase order are not subject to increase and include all applicable taxes and charges. Buyer shall pay approved invoices ninety (90) days following the invoice date.
4. **DELIVERY:** Time is of the essence of this order. If delivery of goods or services is not completed by the dates specified herein, Buyer may, without liability, terminate this order by notice effective when received by Seller as to goods not yet shipped or services not yet rendered and to purchase substitute goods or services elsewhere and charge Seller with any loss incurred. Seller agrees to give Buyer prompt written notice of any projected delay in delivery exceeding seven (7) days from the delivery date specified herein. Buyer reserves the right to refuse delivery of goods which is made in advance of the delivery date specified herein and to return such goods to Seller at Seller's expense. If Buyer accepts early delivery, invoice payment terms will be calculated from the date of scheduled delivery.
5. **EXCUSABLE DELAY:** Seller shall not be liable for failure or delay in making deliveries when such failure or delay is due to any cause beyond its reasonable control and without the fault or negligence of Seller; provided that Seller shall give to Buyer prompt written notice when it appears that such cause will delay deliveries under this order. Buyer may, at its option and without any liability to Seller, cancel by written notice any portions of this order so affected. Buyer may delay delivery and/or acceptance due to any cause beyond its control.
6. **WARRANTY:** With respect to all goods and services purchased hereunder, by acceptance of this order Seller warrants (1) that the goods are of its own manufacture, new, safe, merchantable, of good quality, and free from defects in design, material and workmanship; (2) that Seller has good title to the goods and will convey such good title to Buyer; (3) that the goods conform to specifications, drawings, samples or other descriptions furnished by Buyer and all appropriate standards; (4) that if Seller knows or has reason to know of the particular purpose for which Buyer intends to use the goods, Seller warrants that the goods will be fit for such particular purpose; and (5) that the 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. These warranties shall be cumulative and in addition to all other warranties, express, implied or statutory, and all warranties shall survive inspection, test, acceptance, payment and use. If any such goods or services shall be defective or otherwise not in conformity herewith, Seller shall, at Buyer's option and in addition to all other remedies of Buyer, either credit Buyer for any such defect or nonconformity or, at Seller's expense replace, repair, correct, or perform anew any such goods or service. All warranties shall run to Buyer, its successors, assigns, customers and users of its products.
7. **INSPECTION; REJECTION:** Neither receipt of nor payment for the goods or services ordered hereunder shall constitute acceptance. Buyer shall have the right to inspect the goods and reject goods which it deems defective, damaged, nonconforming or in excess of the quantities ordered. Rejected goods will be held for Seller's instructions at Seller's risk and expense or, at Buyer's option, returned to Seller at Seller's risk and expense. Seller shall refund to Buyer all amounts paid for rejected goods or, at Buyer's option, Seller shall replace rejected goods promptly and without expense to Buyer. Nothing herein shall relieve the Seller from the obligation of testing, inspection and quality control.
8. **BUYER'S PROPERTY:** Title to and the right to immediate possession of any property, including without limitation, patterns, tools, dies, equipment or material, furnished or paid for by Buyer shall remain in Buyer or Buyer's customer, as applicable. Seller shall, at its own expense, maintain such property in good condition and shall be responsible for all loss and damage thereto while in its possession and shall use the same only for the production of goods or the performance of services for Buyer. Seller shall maintain insurance on such property covering all risks in amounts equal to the replacement cost and shall indemnify Buyer or Buyer's customer, as applicable, for the full repair or replacement cost, at Buyer's option, of any lost or damaged property.

9. **CHANGES:** Buyer 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 upon written notice to Seller. If any such change causes an increase or decrease in the cost of or time required for the performance hereunder, an equitable adjustment shall be made in the price and/or delivery schedule. Any claim for adjustment by the Seller shall be deemed waived unless asserted in writing within 30 days from receipt by Seller of the change notice.
10. **TERMINATION:** Buyer may terminate this order or any part hereof for its sole convenience. Upon such termination, Seller shall immediately stop all work and cause any of its suppliers or subcontractors to cease 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, provided it submits proof of such costs within 30 days after notice of termination. Seller shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could have reasonably avoided. Buyer may also terminate this order or any part hereof in the event of any default by Seller, including late deliveries, deliveries of defective or nonconforming goods or services, or failure to provide Buyer, upon request, with reasonable assurances of future performance. In the event of such termination, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all direct, indirect, special, incidental and consequential damages sustained by reason of the default.
11. **CONFIDENTIALITY:** Seller shall keep confidential all drawings, specifications, technical information and data furnished by Buyer and shall not disclose such information except as required for the efficient performance of this order. Seller shall return all such information and all copies thereof to Buyer upon Buyer's request. Seller shall not, without written consent of the Buyer, use Buyer's name or trademarks or in any manner publish the fact that Buyer has placed this order.
12. **INDEMNIFICATION; INSURANCE:** Seller shall indemnify and hold harmless Buyer, its successors, assigns, customers, directors, officers, employees and agents against any and all liability, costs, expenses (including reasonable attorneys' fees), damages, claims, and causes of action arising out of the manufacture or sale of the goods or services ordered, by any breach of Seller's obligations under these terms and conditions, by any breach of Seller's warranties with respect to such goods or services, by any negligent act or omission of Seller, or arising out of the performance of any work or other activity by Seller, its subcontractors and agents on Buyer's premises, and upon the tendering of any such suit or claim to Seller to defend the same at Seller's expense. The foregoing indemnification shall apply whether Seller or Buyer defends such suit or claim. Seller shall maintain, and require its subcontractors and agents to maintain, insurance coverage, including comprehensive general liability and worker's compensation insurance, in amounts sufficient to cover the obligations set forth above, naming Buyer as an additional insured. Seller will furnish on Buyer's request insurer's certificates evidencing such insurance which expressly provide that the insuring company will give thirty (30) days prior written notice to Buyer of the cancellation or expiration of such insurance.
13. **INFRINGEMENT:** Seller shall indemnify Buyer, its successors, assigns, customers and the users of the goods and hold them harmless from any and all costs, expenses (including reasonable attorneys' fees), liability, damages, losses, royalties and license fees arising from any suit or claim of infringement of any patent, copyright, trademark or trade name by reason of the manufacture, sale or use of the goods, including any settlement. Upon the tendering of any such suit or claim to Seller, Seller shall defend the same at Seller's expense. The foregoing indemnification shall apply whether Seller or Buyer defends such suit or claim.
14. **LIMITATION ON LIABILITY:** Any action by Seller arising out of or related to this purchase order must be commenced within one year after the scheduled date of delivery of the goods or services ordered. Buyer's liability on any claim of any kind arising out of or related to this purchase order shall in no case exceed the purchase price of the goods or services which give rise to the claim.
15. **COMPLIANCE:** Seller agrees to comply with all applicable provisions of federal, state and local laws, orders, rules and regulations and warrants that all goods and services supplied hereunder will be produced or rendered in compliance with the same. Upon Buyer's request, Seller will provide written certification of compliance with such provisions. If this order references a government contract number, Seller agrees to comply with all applicable provisions of said contract, and all such provisions are hereby incorporated herein by reference. A copy of the applicable provisions will be provided on Seller's request.
16. **GENERAL:** a. The contract arising pursuant to this order shall be governed by the laws of the State of Connecticut, without regard to its conflict of laws provisions. b. No part of this order may be assigned or subcontracted without prior written approval of Buyer. c. Buyer's failure to insist on performance of any of the terms and conditions of this order or exercise any right shall not be deemed a waiver unless in writing and signed by Buyer. A waiver on one occasion shall not thereafter operate as a waiver of any other terms, conditions or rights, whether of the same or similar type. d. Buyer shall have the right to set off against any amounts which are due or may become due to Seller any amounts which Seller may owe to Buyer under this purchase order or otherwise. e. Buyer's remedies provided herein shall be cumulative and in addition to any other remedies provided by law or in equity. f. This purchase order and any documents referred to on the front hereof constitute the entire agreement between Buyer and Seller and may not be modified except by a written document signed by Buyer.

17. **RIGHT OF ENTRY:** Buyer, Buyer's customers, and regulatory authorities have the right to access Seller's facilities and that of Seller's subtier suppliers to review parts, materials, processes, tooling, equipment and any other items involved in this order and all applicable records. Seller must also notify the Buyer of any changes to (i) the good or services, (ii) the manufacturing processes related to the goods or services or (iii), the location of manufacture or provision of goods and services including any movements between existing facilities or to new facilities and/or locations.
18. **RATED ORDERS:** If a Defense Priority an Allocation System (DPAS) rating appears on this order, the Seller shall comply with all the requirements of 15 CFR Part 700. A person must accept or reject a rated order in writing or electronically within 15 working days after receipt of a DO rated order and within 10 working days after receipt of a DX rated order. If the order is rejected, the person must give reasons in writing (not electronically) for rejection.
19. **DOCUMENT RETENTION:** Suppliers will maintain all records generated as a result of this purchase order permanently, unless otherwise specified.
20. **CONFLICT MINERALS:** If the goods supplied under this purchase order contain tin, tantalum, tungsten, or gold, Seller represents and warrants that it complies with Section 1502 of the Dodd-Frank Act (the "Act") which requires that the mining of such minerals does not directly or indirectly finance or benefit armed groups that perpetrate human rights abuses in covered countries as defined in the Act. Seller represents that it has a supply chain due diligence program to facilitate compliance with the foregoing and Seller agrees to provide its supply chain due diligence records for the goods to Buyer within a reasonable time upon written request.
21. **EEO CLAUSE: Seller shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that Seller, on covered contracts and subcontracts, take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.**
21. **Counterfeit Part Prevention:** Seller will not produce or alter a product to imitate or resemble a product without authority or right to do so, with the intent to mislead or defraud by passing the imitation as original or genuine.