



Terms & Conditions of Purchase
Revision: B Date: 04/21/23
Supersedes all previous Terms & Conditions

Acceptance: "Buyer" shall mean Precision Turning Corporation "Seller" shall mean the party with whom Buyer is contracting and to whom Buyer has issued this Purchase Order ("Order"). This Order constitutes Buyer's offer to Seller and is expressly made conditional on Seller's acceptance of Buyer's terms and conditions only. Any additional, different, or inconsistent terms proposed by Seller are specifically rejected, unless otherwise expressly agreed to in writing signed by an authorized representative of Buyer. Seller shall have accepted this Order by issuance of its acknowledgment, commencement of performance or delivery hereunder, or Buyer's acceptance, payment or use of any goods, products, materials, components, articles, parts, services, or other property of Seller subject to this Order (collectively "Goods"). No revision to this Order shall be valid unless in writing and signed by an authorized representative of the Buyer.

Introduction: This document has been developed to help suppliers understand the quality requirements necessary to ensure a successful relationship with the Buyer, Precision Turning Corporation. Communication and cooperation are key elements in achieving these high standards. Precision Turning Corporation expects suppliers to have the following basic business principles and supplier shall:

- Ensure that materials and services are produced in conformance with the required standards, and Buyer will receive defect-free product, on time, at the agreed upon terms.
- Manage facilities, processes, quality systems and personnel to manufacture products consistently and cost-effectively and furnish services that meet the needs of Buyer and its customers.
- Be committed to continual process improvement by emphasizing reduction of part-to-part variation and the elimination of all waste.
- Conduct operations in conformance with, or exceeding, all applicable environmental laws and regulations of the jurisdictions in which the supplier does business.
- Ensure all products and materials supplied meet applicable product environmental compliance requirements.
- Embrace and comply with socially important values, principles, and guidelines.

Compliance with Law: Seller shall comply with the provisions of all applicable federal, state, and local laws, regulations, rules, and ordinances applicable to this Order and purchased goods thereunder, including without limitation, any fair labor standards or statutes and any statute or regulation regulating occupational safety and health.

Right of Access: Precision Turning Corporation, its customers and applicable regulatory authorities reserve the right to enter the external provider to verify compliance to purchase order documentation. This may include in-process and final inspection, quality system audit and review of required documentation.

Liability for Injury: Seller shall indemnify and hold Buyer harmless against all loss and liability on accounts of claims of personal injury, death and property damages resulting from any act or omission of Seller (including its agents, employees, or subcontractors) during performing this Order, including any Goods delivered hereunder.

Quality System: External suppliers shall implement a quality system. The external provider is responsible for the identification and maintenance of quality system records relating to the purchase order. Precision Turning Corporation, its customers and applicable regulatory authorities reserve the right to access these records. The records shall be maintained in a manner that allows them to be readily retrievable and prevent damage.

Performance Monitoring: The buyer will be monitoring performance relating to material / part quality & on-time delivery. Seller will be notified when performance falls below acceptable norms. Reports are emailed once a year if performance falls below acceptable norms.

Price: Seller represents that any price or prices specified in this Order do not exceed Seller's current selling prices for the same or substantially similar goods. Unless otherwise stipulated in writing by Buyer and Seller, the sum of all prices listed in this Order shall represent the total cost to Buyer as at the point of delivery specified herein, including all taxes, charges for packing, crating, boxing, storage, and shipping. If the price is not clearly listed or stipulated on this Order, it is not a valid Order, and the Seller shall confirm with the Buyer in writing the price before filling or performing the Order.

Payment: The buyer shall make payment for conforming materials at the price stated in the Agreement/Order. The price of any release shall be the limit of the liability of the buyer for the Materials/Services. Seller shall invoice Buyer upon shipment of an order. Unless otherwise noted in the order, PTC's standard payment terms are Net 30 from the invoice date. Seller may email invoice(s) electronically by email in PDF format.

Termination for Convenience: The buyer may, by notice in writing, terminate this Order or work under this Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Order. In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated and allowed costs, plus a reasonable profit for work performed to the date of termination. Buyer may take immediate possession of all work so performed upon written notice of termination to Seller. The seller's obligations, including but not limited to obligations under the warranty, proprietary rights, infringement, and indemnity against claims provisions, shall survive such termination.

Termination for Default: Buyer may, by notice in writing, terminate this Order in whole or in part at any time for Seller's breach of any one or more of its terms, for failure to make progress to endanger performance of this Order, or failure to provide adequate assurance of future performance. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Order.

Force Majeure: Neither Buyer nor Seller shall be liable for failures or delays that arise out of causes beyond their reasonable control and without their fault or negligence. Such causes include acts of God or of the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Order is hindered, delayed or adversely affected by causes of the type described above ("Force Majeure"), the party whose performance is so affected shall so notify the other party's authorized representative in writing and, at Buyer's option, this Order shall be completed with such adjustments as are reasonably required by the existence of Force Majeure or this Order may be terminated for convenience by Buyer.

Governing Law, Venue, & Disputes: This agreement shall be governed in all respects by the laws of the State of Florida, and the parties agree that the appropriate venues for any dispute involving issues arising from this agreement shall be in Live Oak (Suwannee County), Florida.

Any controversy or claim that may arise out of or in connection with this Order that after good faith negotiations cannot be resolved to both Parties' mutual satisfaction may be resolved by submitting the claim to the court located in Live Oak (Suwannee County), Florida. Pending resolution or settlement of any dispute arising under this Order, the Seller shall proceed diligently as directed by Buyer with the performance of this Order.

Proprietary Rights & Confidential Information: Seller shall not disclose to any person outside of its employees or use for any purpose other than the fulfillment of its obligations under this Order and any information or material received from Buyer pursuant to this Order which has been disclosed to the Seller by the Buyer. Unless otherwise expressly agreed in writing all specifications, information, data, drawings, software, and other items which are supplied to Seller by Buyer, or obtained or developed by Seller in the performance of this Order or paid for by Buyer, shall be proprietary to Buyer, shall only be used for purposes of providing Goods to Buyer pursuant to this Order, and shall not be disclosed to any third party without Buyer's express written consent. All such items supplied by Buyer or obtained by Seller in the performance of this Order or paid for by Buyer shall be promptly provided to Buyer on request or upon completion of this Order.

Confidential Relationship: Unless the written consent of Buyer is first obtained, Seller shall not in any manner advertise, publish or release for publication any statement mentioning Buyer or the fact that Seller has furnished or contracted to furnish to Buyer Products or Services under this Order. Seller should also not assert any statement on behalf of Buyer or its employees. The seller shall not disclose any information relating to this Order except to the extent necessary for performance.

Buyer's Property: All drawings, tools, fixtures, materials, and other items supplied or paid for by the Buyer shall be and remain the property of the Buyer. All such items shall be used only in the performance of work under this Order unless Buyer consents otherwise in writing. Seller shall have the obligation to maintain all property furnished by Buyer to Seller and shall be responsible for all loss or damage to said property except for normal wear and tear.

Seller warrants that all Goods furnished under this Order shall conform to all specifications and appropriate standards, will be new, and will be free from defects in material or workmanship. Seller warrants that all Goods furnished hereunder will be merchantable and will be safe and appropriate for the purpose for which Goods of that kind are normally used. If Seller knows or has reason to know the purpose for which Buyer intends to use the Goods, Seller warrants that such Goods will be fit for such purpose. Inspection, test, acceptance or use of Goods furnished hereunder shall not affect Seller's obligations under this warranty, and such warranty shall survive inspection, test, acceptance, and use. Seller's warranty shall run to Buyer, its successors, assigns and customers, and users of products sold by Buyer. Seller agrees to replace or correct defects of any Goods not conforming to the foregoing warranty promptly, without expense to Buyer, when notified of such nonconformity by Buyer, if Buyer elects to provide Seller with an opportunity to do so. In the event of failure of Seller to correct defects in or replace nonconforming Goods, Buyer, after reasonable notice to Seller, may make such corrections or replace such Goods and charge Seller for the costs incurred by Buyer in doing so. Seller shall be liable for and save Buyer harmless from any loss, damage, or expense whatsoever that Buyer may suffer from breach of these warranties.

Capacity: Seller represents that the production capacity quoted to Buyer is based on a production plan capable of supplying goods and or services to support Buyer's requirements.

Sub-Contracting: This order or any order issued by Precision Turning Corporation shall not be assigned or transferred by Seller without the prior written consent of Buyer. No purported assignment or delegation by Seller shall be binding on Buyer without such consent.

Delivery & Notice of Delay: Time is of the essence for the delivery schedule for this Order. The seller shall deliver all orders for Goods on time. The delivery date shall be the date designated by Buyer in written material releases or other writing. If delivery of Goods is delayed beyond the time indicated herein for any reason, Buyer reserves the right without liability (in addition to its other rights and remedies) to cancel this Order by written or verbal notice confirmed in writing (which notice shall be effective when received by or communicated to Seller). Upon such cancellation, as to any of the Goods not shipped, the Buyer, at its sole discretion, may decide to purchase substitute Goods elsewhere.

If Seller is unable to meet the delivery date stated on Order, it is the Seller's responsibility to notify buyer as soon as possible. The Seller can notify by email or by telephone. The Buyer can then notify its customers and/or other interested parties concerning the delay.

Inspection and Acceptance: All Goods are subject to Buyer's inspection, testing and approval, both at Seller's facility and Buyer's point of destination. The buyer reserves the right to reject and refuse acceptance of any Goods which do not comply with all the terms of this Order. Acceptance, payment, use, or resale of Goods by Buyer shall not release Seller of any of Seller's obligations, representations, or warranties hereunder. Payment for any Goods shall not be deemed an acceptance hereof.

In the case of any defective or damaged Material, including but not limited to non-compliance with Seller's Quality System requirements, Seller agrees to initiate any required corrective action within a timely manner from the date that Buyer request such action by performing proper root cause analysis and submitting an appropriate corrective action plan. Failure to respond to corrective actions may disqualify the Seller from being an approved supplier.

Buyer shall have the right by written order to suspend work or to make changes from time to time in services to be rendered or the materials to be furnished by Seller hereunder or the delivery date. If such suspension or changes cause an increase or decrease in the cost of performance of this Order or in the time required for its

performance, an equitable adjustment shall be negotiated promptly, and the Order shall be modified in writing accordingly. Any claim by Seller for adjustment must be asserted in writing within five (5) days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. However, Seller shall not be excused from processing the Order as so changed by Buyer pending resolution of any claim made by Seller for adjustment.

Seller warrants that all work, items, materials, equipment, or Goods provided by Seller pursuant to this Order, which are not of Buyer's design, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights, and that any use or sale of such items by Buyer or any of Buyer's customers shall be free from claims of infringement. Seller shall indemnify and save Buyer and its customers harmless from all expenses, liability, and loss of any kind (including all costs and expenses including attorney's fees) arising out of claims, suits, or actions alleging such infringement. If requested by Buyer, Seller agrees to defend at Seller's expense any claims, suits or actions alleging such infringement.

Conformance: The external provider agrees to maintain objective evidence to assure conformance to the purchase order requirements. The objective evidence may include: dimensional data sheet, certificates of conformity, test reports, statistical records, and process control.

Change of Process: The external provider shall notify Buyer if there has been a significant product or process change related to the items in the purchase order specification or the quality management system. The external provider Quality Assurance Manager will contact the Buyer's Quality Manager in writing of the change. The external provider agrees to provide information pertaining to the product quality with the change. The Buyer's quality manager will review and approve the change, as required.

Export/Import Controls: If applicable to this Order, Seller shall control the disclosure of and access to technical data, information and other items received under this Order in accordance with U.S. export control laws and regulations, including but not limited to the International Traffic in Arms Regulations (ITAR). Seller agrees that no technical data, information, or other items provided by Buyer in connection with this Order shall be provided to any foreign persons or to any foreign entity, including without limitation, a foreign subsidiary of Seller, without the express written authorization of Buyer and the Seller's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled technical data or items. Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs, or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller. Seller shall immediately notify Buyer if it is or becomes listed on any excluded or denied party list of any agency of the U.S. Government or its export privileges are denied, suspended, or revoked.

Test Reports: Test reports are required for all material orders. This includes the chemical and physical test reports and material certifications.

Conflict Minerals: Seller shall disclose if any Goods delivered, supplied, or manufactured under this Order contain "Conflict Minerals" from the Democratic Republic of Congo ("DRC"), or any adjoining country (together with the DRC, "Covered Countries"). The term "Conflict Minerals" shall have the meaning ascribed to it under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Act"), meaning wolframite, cassiterite, columbite-tantalite (coltan), gold and their derivative metals: tantalum, tin, and tungsten. To the extent required therein, Seller commits to complying with the Act. The seller shall maintain effective accounting procedures, internal controls, and audit procedures necessary to verify compliance with the Act.

Raw Material DFAR: All materials provided by Seller must meet FAR and DFAR regulations. If Buyer receives material not compliant to DFAR, material will be returned at Supplier's expense.

Traceability: Traceability shall be maintained from receipt of raw material through finished product. Material records must be identified by lot number, material type, specification, and applicable revision identifier or date of issue, heat number, serial number, etc. as required to maintain traceability.

Awareness & Competency: External suppliers shall ensure that employees are aware of their contribution to product or service conformity, contribution to product safety and the importance of ethical behavior. Personnel shall be competent to assure that Buyer's purchase order requirements have been met.

Certificate of Conformance: If stated on the Purchase Order, a Certificate of Conformance is required and must state the following at a minimum:

- Part Number including Revision Level
- Specification Number included most current Revision Level Processed to (if applicable)
- Purchase Order Number
- Quantity
- Signature & Date of Authorizing Quality Assurance Representative

Packing and Shipment: The seller agrees to process, package, and ship all Goods in conformity with any purchase specifications supplied or what is stated on the purchase order. All packing shall be at Seller's expense, in suitable containers for protection in shipment and storage. Packing must conform to applicable carrier regulations. Goods shall be packaged in a manner to protect from loss and deterioration. If Precision Turning supplies specific containers, such as, plastic shipping trays, pallets, cartons, etc. Seller must package in containers as received.

Unless otherwise stipulated by Buyer, all Goods shall be shipped F.O.B. and to the destination or point of delivery specified in the Order. Title and risk of loss of all Goods subject to this Order shall remain with Seller until delivery and acceptance of Goods by Buyer.

Packing lists shall accompany each shipment, including Buyer's Order number, description of Goods, and quantity, if applicable.

A Certificate of Compliance is required, if applicable, and must be included in the box with shipment.

FOD – Foreign Object Damage: Establish, implement, and maintain a Foreign Object Damage (FOD) Prevention Program compliant to NAS 412. The supplier shall ensure that Foreign Objects and subsequent Foreign Object Damage (F.O.D.) is eliminated from all parts prior to shipment. All suppliers must maintain a F.O.D. free environment during machining, manufacturing, assembly, maintenance, inspection, storage, packaging, and shipping.

Counterfeit Avoidance & Mitigation: Establish, implement, and maintain a program and/or processes to prevent counterfeit raw materials from entering our customer's supply chain. Precision Turning Corporation will not accept any counterfeit materials into our facility and will be returned at the expense of Seller.

History Page

<u>Revision Level</u>	<u>Issue Date</u>	<u>Revision Description</u>	<u>Approved By:</u>
02/05/18	02/05/18	Initial Release	Cindy Swann
B	04/21/23	Updated Format, Rearranged Items, Updated Sections, Added Sections: Confidential Relationship, Traceability, FOD, Counterfeit Avoidance & Mitigation – Added Actual Revision Letter	Chelsea Newman / Cindy Swann