



1. Acceptance of PO:

This Purchase Order (“Order”) is not binding until accepted by Seller. Acceptance of all terms and conditions of this Order takes place when either of the following occurs: (a) Buyer receives an acknowledgement of this Order properly executed by Seller; or (b) Seller delivers to Buyer the items ordered. BY ACKNOWLEDGING OR MAKING ANY DELIVERY UNDER THIS ORDER, SELLER EXPRESSES ACCEPTANCE OF EACH AND EVERY TERM AND CONDITION SET FORTH HEREIN. UNLESS OTHERWISE AGREED TO IN A SEPARATE WRITTEN AGREEMENT BETWEEN BUYER AND SELLER, ANY TERMS INCONSISTENT WITH THESE TERMS AND CONDITIONS ARE EXPRESSLY REJECTED AND HAVE NO BINDING EFFECT WHATSOEVER ON BUYER OR THESE TERMS AND CONDITIONS. These Terms and Conditions may be revised from time to time. The Terms and Conditions in effect at the time of the Order will apply.

2. Changes to Purchase Order:

No Changes, additions, deletions, or substitutions can be made to the subject matter, terms, conditions, delivery, price, or any other information on the Purchase Order without the consent of the Buyer.

3. Quantities:

All shipments shall be for the exact quantity ordered, unless specifically authorized in writing or agreed upon due to acceptable industrial standards. Variations in shipping tolerances will be noted on the purchase order.

4. Prices:

All purchase orders must be filled at the prices specified therein. All additional charges must be specified on the purchase order. These additional charges include, but are not limited to, freight, delivery, surcharges, setup, tooling, engineering, interest, carrying, etc. Payment terms shall be NET 30 from date of invoice, unless otherwise set forth in the Purchase Order or otherwise agreed in writing by Buyer and Seller.

5. Packaging:

Packaging shall be provided by the vendor and shall be adequate for the means of shipment selected by the Buyer



6. Compliance with Laws:

Buyer and the Seller are required to comply with all statutory and regulatory legal requirements, acts, laws and guidelines; this includes but is not limited to those of the United States Export Control and Customs, Congressional Acts, Federal government, State governments and Local governments. Seller shall be responsible for compliance with all applicable foreign and domestic laws and regulations regarding the importation or exportation of any products under this Agreement. All product is required to be compliant with S.E.C. Dodd-Frank Act section 1502.

7. Conflict Minerals:

Seller acknowledges Buyer is required to comply with rules and regulations promulgated by the United States Securities and Exchange Commission related to so called Conflict Minerals has the same meaning as defined in Section 1502(e)(4) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and generally includes columbite-tantalite, also known as coltan (metal ore from which tantalum is extracted); cassiterite (metal ore from which tin is extracted); wolframite (metal ore from which tungsten is extracted); and gold. Seller represents that it has in place procedures reasonably designed to determine whether Conflict Minerals contained in items covered under this Purchase Order originated in the Democratic Republic of Congo or adjoining countries or are from recycled or scrap sources. Seller warrants that, except for Conflict Minerals that are from recycled or scrap sources, items covered under this Purchase Order either (a) do not contain Conflict Minerals, (b) do not contain Conflict Minerals that originated in the Democratic Republic of Congo or adjoining countries; or (c) do not contain Conflict Minerals that directly or indirectly benefit or finance armed groups in the Democratic Republic of Congo or adjoining countries.

8. Late Deliveries/Delays:

Time is of the essence in this contract. Seller must inform Buyer of any delays on the agreed upon delivery date. Buyer reserves the right to take the following actions if the goods are not to be delivered on time:

- a. Expect Seller to pay airfreight or special delivery charges.
- b. Terminate all or part of the contract and thereby relieve Buyer of any obligation to accept and pay for goods and or work covered by such terminated portion.
- c. Terminate all or any of the undelivered portion of the order, place a purchase order elsewhere, and charge Seller with any change in the cost or expensed incurred.



9. On time Delivery Requirements

Seller agrees to 100% on-time delivery performance. Seller acknowledges that Buyer has provided appropriate planning information and purchase commitments enabling Seller to meet 100% on-time performance. Seller acknowledges that any failure by it to meet 100% on-time delivery performance may result in economic loss to Buyer. Seller acknowledges that breach of this Agreement by failing to meet 100% on-time delivery is a material breach of this Agreement and Seller agrees to pay Buyer an amount equal to all of Buyer's direct and/or indirect damages, incidental and consequential damages, lost profits, penalties incurred by Buyer and any other charge or penalty incurred by Buyer as a result of any failure by Seller to meet 100% on-time delivery. Upon demand for payment of amounts under this paragraph by Buyer, Seller shall pay all such amounts.

10. Certifications:

Certificates of Conformance must include verification of purchase order specifications as stated and also include C of C's from sub-tier Seller to be obtained and furnished by Seller with each item or part on order. Material certifications are required with shipping documents.

- a. Mil-Test verification of physical/chemical properties must be furnished if requested with each shipment. All Documents must be signed originals or a legible copy of signed originals.
- b. SDS (**Safety Data Sheet**) sheet must accompany shipping documents when requested by Buyer.
- c. Special processes require annual CQI self-assessments. Formco Metal Products, Inc. requests that as you supply an applicable Special Process that you also submit your CQI self-assessment documentation.

11. Non-Conforming Product:

Seller shall notify Formco Metal Products, Inc. of any non-conformance product immediately. Seller must obtain Formco Metal Products, Inc. disposition and/or approval of any non-conforming product prior to shipment. Seller must request and submit a deviation form as means of approval. Formco Metal Products, Inc. will approve or refuse the non-conformance and then return the deviation form to seller with final disposition. If approved, all product shipping under the deviation must have a copy of that deviation attached to the product when shipped. This provision shall flow down to all related subcontracts.



FORMCO METAL PRODUCTS, INC. PURCHASE ORDER TERMS & CONDITIONS

12. Rejections:

All material rejected by Buyer's inspection will be returned to Seller at Seller's expense. Payment of Seller's invoices will not constitute final acceptance by Buyer in case of rejection. Seller shall, at Buyer's option, replace material without expense to Buyer or pay to Buyer the replacement cost of same. All charges incidental to such, including labor, reloading, trucking etc. will be paid by Seller. Buyer may require a written corrective action. Such report will identify the root cause, corrective action plan and identify all sources of non-conformity. This plan must be submitted to the Buyer within 14 days for review and approval.

13. Ownership of Goods:

Except as otherwise expressly provided in the purchase order, title to and risk of loss and/or damage on all items shipped by Seller to Buyer shall pass to Buyer upon Buyer's inspection and acceptance of such items at Buyer's plant or other receiving facility.

14. Record Retention:

Inspection Tests and Records, Certifications and required documentation shall be retained by Seller for an agreed to period/minimum of life product plus one year.

15. Confidential Information:

All information provided by Buyer to Seller should be considered proprietary and confidential and shall not be shared without permission of Buyer.

16. Vendor Approval:

Sellers may be required to complete the Formco Metal Products' Process for Vendor Approval.

17. Warranty:

Seller expressly warrants that all materials and services furnished under purchase orders issued by Buyer will be free from defects in material and workmanship and will conform to applicable specifications, drawings, samples, or other descriptions given and that articles made of Seller's design will also be free from defects in design. All warranties shall survive acceptance and payment of goods and services. All warranties shall run to Buyer, its successors, assigns and customers and to the users of its products.

18. Infrastructure:

Sellers must provide and maintain infrastructure needed to achieve conformity to product requirements including workspace and associated utilities, process equipment and supporting services.



FORMCO METAL PRODUCTS, INC. PURCHASE ORDER TERMS & CONDITIONS

19. Indemnity:

Seller shall indemnify and hold harmless Buyer, its officers, employees, agents, successors, assigns and any of the Buyer's customers buying or using the specific goods and services, from and against any and all losses, liabilities, damages, penalties, costs and expenses arising out of any misrepresentation by Seller or relating to any breach or default in the performance of Seller's obligation with respect to the delivery of goods and/or services delivered to Buyer. Seller agrees to obtain and maintain at its expense a policy or policies of product and contractual liability insurance.

20. Buyer's Property:

All drawings, tools, jigs, dies, fixtures, materials, and other property supplied or paid for by Buyer shall be and remain the property of Buyer; and if Seller fails to return such property upon Buyer's demand, Buyer shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property at any time without being liable for trespasses or damages of any sort.

21. Quality:

Seller shall, where required, obtain Buyer approval, and at minimum; notify the Buyer of changes in product and/or process, Sellers, changes of manufacturing facility location. The seller shall; flow down to the supply chain the applicable requirements including customer requirements; provide right of access by the Buyer, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records; respond to requested corrective actions in a timely manner when requested by the Buyer. Seller shall take note of and understand all quality codes provided on PO. Seller shall follow point 9 on non-conforming product.

22. Safety:

The organization shall plan, implement, and control the processes needed to assure the product is safe during the entire life cycle of the product.

23. Ethics:

Seller will comply with and flowdown the following code of conduct – Sellers are prohibited to engage in any activity that creates a conflict of interest; must comply with all laws, regulations, statutes, rules, and acts; must report any illegal or unethical conduct to management or other appropriate authorities; and must understand the implications of ethical behavior.



24. Seller development and expectations:

Buyer prefers Seller maintain a 3rd party registered quality system (*ISO 9001, AS 9100, IATF 16949, NADCAP etc.*). At minimum Seller is expected to show competence to ISO 9001. Seller is encouraged to strive for higher 3rd party certifications (*ISO9001, AS 9100, IATF 16949*).

25. Source Inspection:

Representatives of Buyer or a named delegate may conduct source inspections of products prior to shipments from the Seller's facility. The notification shall be provided in writing with a minimum of 3 days advance notice given.

26. Premium Freight:

Seller must notify Buyer if there is an expedited shipment. If the need for expedited shipment is the fault of Seller, Seller will pay for expedited shipment costs.

27. Rights of Entry:

Buyer reserves the right of access by its representatives, its customers, or any regulatory authorities to the applicable areas of all facilities, at any level of the supply chain involved in the order and to all applicable records.

28. Processing Changes:

Seller shall notify Buyer of changes in product and/or process, changes of Seller, and changes of manufacturing facility location. Buyer can terminate the PO if it does not approve of change. This provision shall flow down to all related subcontracts.

29. Seller Audits, Performance Rating and Corrective action Report (CAR) System:

Seller consents to and shall be audited by the Buyer in accordance with the current regulatory and international standards as appropriate. Seller is subject to Buyer's Seller Performance Rating System based on quality performance, delivery performance and cost reduction performance. If the Seller experiences non-conformance for any of these three categories, the Seller may be issued a rejection report and shall agree to respond to the reject report within 24 hours of the notification for containment and process validation unless otherwise specified by the QE.