

Standard Supplier Terms and Conditions

- 1. Goods and services** - The goods and services described in this Purchase Order (the "PO") are provided by Supplier subject to the following terms and conditions. Supplier agrees to be bound by and to comply with all such conditions. Other terms and conditions are not binding upon Alloy Precision Technologies, unless accepted in writing.
- 2. Purchase price and terms of payment** - All payments are made in United States funds or as otherwise specified. All prices shown in this PO are firm and are not subject to adjustment. Alloy Precision Technologies pays the Supplier net 60 days unless otherwise specified.
- 3. Method of shipment or packing** - Unless otherwise specified in the P.O. or supporting specifications Goods are packaged in a manner which assures that they are protected against deterioration, contamination, and damage. All goods are delivered to the F.O.B. point specified in the PO. Title and risks remain with Supplier until delivery.
- 4. Set off.** Where the seller has incurred any liability to the buyer under or in connection with an order, the buyer may set-off the amount of such liability against any sum that would otherwise be due to the seller by the buyer under the applicable order or any other agreement.
- 5. Inspection and rejection** - The goods and/or services furnished must be exactly as specified in the PO and supporting drawings and specifications. They must be free from all defects in design, workmanship, and materials. The goods and/or services are subject to inspection and test by Alloy Precision Technologies at any time and place including the suppliers manufacturing facility. If the goods and/or services furnished are found to be non-conforming, Alloy Precision Technologies may, either rework the products, with the approval from the supplier, or require the supplier to rework or replace the non-conforming product without charge. If Alloy Precision Technologies elects to return non-conforming products, then the purchase value of said non-conforming product, reasonable shipping expenses, and reasonable administrative costs incurred by Alloy Precision Technologies will be debited by Alloy Precision Technologies against any of the supplier's unpaid invoices. If with the supplier's approval, Alloy Precision Technologies chooses to rework the suppliers non-conforming product, then the supplier will, within 30 days of Alloy Precision Technologies' request, reimburse Alloy Precision Technologies for its labor, administrative and material costs expended because of such effort. The labor rate set for both administrative and re-work services supplied by Alloy Precision Technologies to disposition defective supplier parts is \$96.50 per hour. If the supplier is unable or refuses to correct or replace such items within a time deemed reasonable by APT, APT may terminate this PO in whole or in part. Supplier bears all risks as to rejected goods and/or services. Supplier agrees to reimburse Alloy Precision Technologies for all transportation costs, other related costs incurred, and overpayments in respect of the non-conforming goods and/or services.
- 6. Inspection and rejection** - The goods and services furnished are exactly as specified in the PO and supporting drawings and specifications. They are free from all defects in design, workmanship, and materials. The goods and services are subject to inspection and test by Alloy Precision Technologies at any time and place including the Suppliers manufacturing facility. If the goods and services furnished are found to be defective, Alloy Precision Technologies may reject them, or require Supplier to correct or replace them without charge or require a reduction in price which is equitable under the circumstances. If Supplier is unable or refuses to correct or replace such items within a time deemed reasonable by Alloy Precision Technologies, Alloy Precision Technologies may terminate this PO in whole or in part. Supplier bears all risks as to rejected goods and services. Supplier reimburses Alloy Precision Technologies for all transportation costs, other related costs incurred, and overpayments in respect of the neglected goods and services.
- 7. Changes** - Alloy Precision Technologies may make changes to this PO including to drawings and specifications for specially manufactured goods, place of delivery, by giving notice to Supplier. If such changes affect the cost of or the time required for performance of this PO, an equitable adjustment in the price or date of delivery or both will be made. No change by Supplier is allowed without written approval of Alloy Precision Technologies. Any claim of Supplier for an adjustment under this Article must be made in writing within thirty (30) days from the date of receipt by Supplier of notification of such change. Nothing in this Article excuses Supplier from delivering the goods and services described in this PO, and in accordance with this PO, including price and delivery.
- 8. EXPORT REGULATIONS:** Seller agrees to comply with the U.S. Export Administration Act, 50 USC 2401-2420, including the Export Administration Regulations, 15 CFR 730-774 ("EAR"); and the U.S. Arms Export Control Act, 22 USC 2751-2780, the International Traffic in Arms Regulations, 22 CFR 120-130 ("ITAR"); including, but not limited to, 22 CFR part 122 entitled "Registration of Manufacturer and Exporter", 22 CFR part 129 and 22 CFR part 130 entitled "Political Contributions, Fees and Commissions." In the event Seller is supplying defense articles hereunder, Seller agrees to maintain a valid and current Directorate of Defense Trade Controls ("DDTC") registration. Seller shall provide its ODTA registration status (whether registered or not, with expiration date to Seller and promptly advise Seller of any updates or changes to such information, in the format requested by Seller. With respect to defense articles and services furnished hereunder, Seller certifies that it has not paid, offered or agreed to pay, and agrees that it shall not pay, offer or agree to pay, for the purpose of soliciting, promoting or otherwise to secure

Standard Supplier Terms and Conditions

the sale of defense articles and services to or for the use of the armed forces of an international organization or non-U.S. Country, any (i) fees or commissions in excess of \$1,000 or (ii) political contribution (including any gift, rebate or payment of expenses) to a non-U.S. person or entity.

Also, including the Regulations of the Office of Foreign Assets Control of the U.S. Treasury Department, 31 CFR 500-599; the Regulations of the Bureau of Alcohol, Tobacco, and Firearms, 27 CFR 447-555 (“ATF”); 10 CFR 110 the Regulations of the Nuclear Regulatory Commission (“NRC”); the Homeland Security Act of 2002, including the U.S. Customs and Border Protection Regulations, 19 CFR 1-199 (“CBP”); as well as any applicable export or import requirements of other jurisdictions regardless of whether of U.S. or non-U.S. origin.

Foreign Personnel. Seller shall not give any Foreign Person access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Purchaser. Any request for such consent must state the intended recipient’s citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the “Immigration and Naturalization Act”), and such other information as Purchaser may reasonably request. No consent granted by Alloy Precision Technologies in response to Seller’s request under this paragraph shall relieve Seller of its obligations to comply with the provisions of this paragraph or the United States Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph 3.2.3, nor constitute consent for Subcontractor to violate any provision of the Export Laws and Regulations.

Indemnification. Seller shall indemnify and save harmless Alloy Precision Technologies from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys’ fees, arising out of claims, suit, allegations or charges of Seller’s failure to comply with the provisions of export regulation clauses and breach of the warranty set forth in paragraph 3.2.3. Any failure of Seller to comply with the requirements or any breach of the warranty contained in export regulation clauses shall be a material breach of this contract.

9. Warranty - Supplier warrants to Alloy Precision Technologies that goods supplied under this PO are free from defects in material, workmanship, and design, suitable for the purposes intended or implied, in compliance with all applicable specifications and free from liens or encumbrance on title. All services are performed in accordance with current, sound and generally accepted industry practices by qualified personnel trained and experienced in the appropriate fields.

10. Confidentiality - In the performance of the services, the Supplier, and its subcontractors, if any, may have access to confidential information (hereinafter referred to as the "Confidential Information") which Alloy Precision Technologies must protect from disclosure pursuant to the Act respecting access to documents held by Public Bodies and the protection of personal information. The Supplier undertakes to hold all the Confidential Information it receives in strict confidence and neither to disclose or release in any manner such Confidential Information to any third party nor to use such Confidential Information for any other purpose than the one for which Alloy Precision Technologies has disclosed same; to disclose Confidential Information only to those of its employees or agents who need to know such Confidential Information for the said purpose. The Supplier warrants that such employees or subcontractors are obligated to and will hold Confidential Information in strict confidence and to take all reasonable measures to ensure that confidentiality is respected. The Supplier shall indemnify and hold harmless Alloy Precision Technologies, its officers, directors and employees from and against any and all liabilities, claims, suits, demands, disputes, recourses, damages and expenses including, without limitation, any recourses including reasonable legal fees arising from any and all claims in respect of, or resulting from, the use or the disclosure of Confidential Information by the Supplier, its employees or sub-contractors.

11. Assignment and Subcontracting - This PO is assignable by Alloy Precision Technologies. Seller shall neither assign (by contract, operation of law or otherwise) its rights or interests under the Order, nor delegate or subcontract any of its duties, obligations, or performance under the Order without the prior written consent of Buyer. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under the Order.

12. Access – Right of access by Alloy Precision Technologies, our 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.

13. Record retention requirements are for a minimum of 40 years unless otherwise noted on the PO.

14. Requirement to Notify – The Supplier shall notify Alloy Precision Technologies of changes in product and/or processes, including all non-conforming product or processes, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval. The supplier shall:

- notify the organization of nonconforming product,

Standard Supplier Terms and Conditions

- obtain organization approval for nonconforming product disposition,
- notify the organization of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval, and
- flow down to the supply chain the applicable requirements including customer requirements,

15. Default - A party is in default of its obligations under this PO if any of the following events occur, namely:

- a. such party is adjudged bankrupt or insolvent by a court of competent jurisdiction, or otherwise becomes insolvent, as evidenced by its inability to pay its debts generally as and when they become due; or
- b. such party is in default of its obligations hereunder and fails to cure such default within thirty days of written notice from the other party, or if such default cannot be cured within thirty days, within such longer period as may be reasonable, provided the defaulting party commences promptly and diligently proceeds with curing the default.

Upon the occurrence of any of the above events, the party not in default may, by written notice to the defaulting party, terminate this PO without prejudice to any other right or remedy available to it at law and without liability for such termination. Neither the Supplier nor Alloy Precision Technologies shall be liable to the other for indirect damages, for loss of profit or for damages arising from loss of use or production.

16. Termination - This PO may be terminated or suspended by Alloy Precision Technologies in whole or in part. Alloy Precision Technologies then delivers to the Supplier a written notice specifying the extent to which performance and/or the deliveries of goods and services under this PO is terminated and/or suspended and the date upon which such action shall become effective. In the event of such action, Alloy Precision Technologies shall pay Supplier for the goods and services satisfactorily provided to the effective date of termination or suspension. In this case, Supplier may submit a proposal to Alloy Precision Technologies for equitable increase in the prices to account for costs of demobilization and direct termination expenses. The termination of this PO shall discharge any further obligations of either party.

17. Force Majeure - Supplier shall not be liable for default or delay due to causes beyond Supplier's reasonable control and without fault or negligence on the part of Supplier. The Supplier gives Alloy Precision Technologies prompt notice in writing when any such cause appears likely to delay deliveries and/or performances of services and takes appropriate action to avoid or minimize such delay. If any such default or delay threatens to impair Supplier's ability to meet delivery requirements for its material, supplies and services, Alloy Precision Technologies shall have the right, without any liability to Supplier, to cancel the portion or portions of this PO so affected. Alloy Precision Technologies shall not be liable for default or delay in the performance of its obligations due to cause beyond its reasonable control.

18. Governing Law - The Order shall be governed by Ohio law. Venue in any lawsuit arising out of any Order shall lie exclusively in State and Federal courts in the State of Ohio of the United States of America. Seller consents to the jurisdiction of the courts of the State of Ohio.

Standard Supplier Terms and Conditions

Appendix 1: Quality Assurance Clauses

- 1. FLOW DOWN REQUIREMENTS** - The external provider agrees to all requirements listed on the purchase order. It also agrees to flow down all requirements listed on this purchase order including relevant technical data to the lowest sub-tier supplier.
- 2. QUALITY CONTROL SYSTEM**- The external provider shall maintain a Quality Management System that complies with ISO 9001 or AS9100 current revision Quality Management System requirements.
- 3. APPROVAL** - The goods and services are subject to inspection and test at any time and place including the external providers manufacturing facility. When specified in the purchase order, additional requirements may be added for Frozen Planning, First Article Report, etc... submittal for approval prior to the shipping of product/service.
- 4. COMPETENCE** – External providers are expected to utilize appropriately qualified individuals when performing work or delivering a service to the organization and will ensure all appropriate documentation is retained to ensure competency.
- 5. COMMUNICATION:** Keeping channel of communication open is extremely important for the success of the partnership between both organizations. In the event of any inconsistency or conflict between or among the purchase order requirements, technical data provided, commitments for delivery dates, etc. the point of contact starts with the Supply Chain. Other points of contact are available as determined/required by the Supply Chain and Customer Service.
- 6. EXTERNAL PROVIDER PERFORMANCE** -The Quality Policy requirements and its objectives are flowed down to the external providers to ensure that the Customer expectations are met or exceeded for On-Time delivery and Quality while adhering to standards, regulatory and statutory requirements, and standards. The external providers performance is monitored regularly by the organization and communicated to the external providers as needed to ensure customer satisfaction.
- 7. ACCESS** -The organization, its customers, and regulatory authorities reserve the right to review and/or inspect your quality control and/or manufacturing systems or processes during the performance of this purchase order to the applicable areas of the external providers facilities, and at any level of the supply chain, involved in the order and to all applicable records.
- 8. DESIGN AND DEVELOPMENT CONTROL** –The organization’s product and process designs require the same level of control of internal documented processes.
- 9. SPECIAL REQUIREMENTS, CRITICAL ITEMS, OR KEY CHARACTERISTICS** - External providers shall develop control plan to ensure special requirements, key characteristics and critical items are monitored and produced in a controlled environment. Statement to compliance is required on the Certificate of Conformance.
- 10. REQUIREMENTS TO NOTIFY** – The External provider shall notify the organization of changes to processes, product, or services, including changes of their sub-tier external providers or location of manufacture, and where required obtain organization’s approval. The supplier shall notify the organization of nonconforming processes, products or services and obtain approval for disposition.
- 11. INSPECTION, TESTING AND VERIFICATION** – External providers are required to implement the necessary inspection, testing and verification methods to ensure product quality. This in no ways effects the right of the organization to reject any product/service found defective or nonconformity to specifications provided in the purchase order.
- 12. SAMPLING INSPECTION** - The use of statistical techniques and sampling plan is not allowed for critical characteristics inspection and when 100% requirement is specified in the purchase order. This in no ways effects the right of the organization to reject any product/service found defective or nonconformity to specifications provided in the purchase order.

Standard Supplier Terms and Conditions

13. COUNTERFEIT MATERIAL – The External provider shall establish and maintain a counterfeit parts /material prevention and control to ensure that counterfeit parts/material is not delivered to the organization. All product and material shall be traceable to original manufacturer or authorized distributor that meets the requirements specified in the purchase order and any additional customer requirements provided.

14. SUB-TIER EXTERNAL PROVIDERS – External providers are required to use customer-designated or approved external providers, including process sources unless otherwise specified in the purchase order.

15. AWARENESS - External providers are expected to conduct their business in an ethical manner in all interactions with the organization's associates and to hold their own workforce accountable for ethical behavior as well. External provider shall ensure their employees are aware of their contribution to product/service conformity and product safety.