

SUPPLIER CONNECTION AREA OF ARRAY SOLDERS

Purchase Order Terms and Conditions

- 1. Price:** If no price is specified in this order, Seller's price shall not exceed the price last quoted or charged to Buyer or the prevailing market price, whichever is lower, unless otherwise agreed in writing.
- 2. Acceptance:** This purchase order constitutes Buyer's offer to the Seller, and confirmation or commencement of performance shall constitute acceptance of this order by the Seller. Conditions stated by Seller in a quotation or in a confirmation of this order which conflict with or add to the terms and conditions stated in this order shall not be binding upon Buyer unless agreed to by it in writing.
- 3. 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. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and this agreement shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph. Seller shall notify Buyer of changes to product, processes, suppliers and facilities. Significant changes to Supplier's QA Program shall be provided to Buyer. Relocation of this work to a division, affiliate or subsidiary of the Seller's company shall also be reported in writing to Buyer prior to relocation of the work. Buyer maintains the right to approve such changes or cancel this Purchase Order if such changes do not meet the approval of the Buyer.
- 4. Insurance:** In the event that Seller's obligations hereunder require or contemplate performance of services by Seller's employees, or persons under contract to Seller, to be done on Buyer's property, or property of Buyer's customer, the Seller agrees that all such work shall be done as an independent contractor and that the persons doing such work shall not be considered employees of Buyer. Seller shall maintain all necessary insurance coverage, including public liability and Worker's Compensation insurance. Seller shall indemnify and save harmless and defend Buyer from any and all claims or liabilities arising out of the work covered by this paragraph.
- 5. Setoff:** All claims for money due or to become due from Buyer shall be subject to deduction or setoff by Buyer by reason of any counterclaim arising out of this or any other transaction with Seller.
- 6. Delivery:** Deliveries are to be made in quantities and at the times specified by Buyer. Buyer shall not be liable for payment of goods shipped in excess of the quantities stated. Buyer may from time to time change delivery schedules or temporarily suspend scheduled deliveries. All goods shall be suitably packed, marked and shipped in accordance with the requirements of common carriers in a manner to secure the lowest transportation cost and no additional charge for transportation shall be made to Buyer unless otherwise stated herein. The supplier shall immediately notify the buyer of any change in the agreed delivery date of any goods or services.
- 7. Cancellation:** Buyer may at any time terminate this order in whole or in part for its convenience upon written notice to the Seller in which event Seller will be entitled to reasonable expense (which shall not include lost profits) which amount shall in no event exceed the applicable pro rata portion of the contract price. Buyer may also terminate this order or any part hereof for cause in the event of any default by the Seller, or if the Seller fails to comply with any of the terms and conditions of this offer. Late deliveries, deliveries of products which are defective or which do not conform to this order, and failure to provide Buyer, upon request, reasonable assurances of future performance shall all be causes allowing

Buyer to terminate this order for cause. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the default which gave rise to the termination.

8. Modification: No waiver or modification of these conditions shall be binding upon Buyer unless agreed to by it in writing.

9. Inspection: All goods shall be received subject to inspection by Buyer. Defective goods or goods not in conformance with specifications will be returned at Sellers expense and risk.

Such inspection by Buyer does not relieve Seller of its obligation to provide items that are in compliance with the requirements of the Purchase Order.

10. Warranty: Seller guarantees that all goods called for in this order shall comply with the specifications herein and warrants that the goods are of merchantable quality and fit and safe for their intended use, and Seller agrees to reimburse Buyer for all losses or damages sustained by it by reason of Seller's breach of such warranties. Acceptance of this order shall constitute an agreement upon Seller's part to indemnify Buyer against all liability, loss and damage sustained by it by reason of the failure of the goods to conform to such warranties.

11. Indemnification: Seller shall defend, indemnify and hold harmless Buyer against all damages, claims or liabilities and expenses (including attorney's fees) arising out of or resulting from any defect in the goods purchased hereunder, or from any act or omission of the Seller, its agents and/or its employees. This indemnification shall be in addition to the warranty obligations of the Seller.

12. Patent, Trademark and Copyright Indemnity: Except to the extent that this order calls for goods to be supplied in accordance with Buyer's drawings or specifications, Seller shall indemnify Buyer against any loss, damages, costs, claims, or judgments for actual or alleged infringement of any patent, trademark or copyright arising from the purchase, use, sale or lease of any goods purchased by it pursuant to this order.

13. Assignment and Subcontracting: This order may not be assigned or subcontracted in whole or in part without the prior written consent of Buyer.

14. Waiver: Buyer's failure to demand performance of any of the terms or conditions herein or to exercise any of its rights or privileges or any waiver of a breach hereunder shall not be deemed a waiver of any other terms, conditions, privileges or occurrence of the same or similar type.

15. Nonconforming Product: Supplier shall notify Buyer of any non-conformances in material supplied by Buyer. Such nonconforming material shall not be disposed of without written approval from Buyer. The Seller shall make, in writing to Buyer, any request for modifications (i.e., changes, deviations, waivers) to any established requirements. Supplier does not have the authority to make disposition of nonconforming product as "use as-is" (or equivalent) or for "repair" without written approval from Buyer. Requests for such dispositions can be made using Supplier forms.

16. Right of Access: Buyer shall have limited, escorted, prescheduled access to all facilities of the Seller, and its sub-tier Sellers, involved in the order. This access shall also be accorded to Buyer's Customer, and authorities. This access applies to all facilities and to all applicable records used for engineering, production and testing for the purpose of verifying compliance with the requirements of the Buyer

Purchase Order. Buyer reserves the right to perform verification at the Seller's facilities including, but not limited to, such activities as witnessing operations in progress, examining quality assurance documents and records and performing audits. Upon request, Seller shall provide Buyer any and all quality information, documents, and records as required. Personnel representing the Buyer customer shall be accorded similar rights when accompanied by a Buyer representative. Any inspection or authorization by Buyer, or Buyer Customer, does not relieve Seller of its obligation to provide items that are in compliance with the requirements of the Purchase Order.

17. Government Source Inspection: If this clause is specified on the Purchase Order due to government source inspection (GSI) requirements associated with this order, the Seller shall notify the cognizant DCMA office (14) working days prior to when inspections will be required. GSI may include product reviews, storage, in-process, and final inspection areas. Buyer's intention is to schedule GSI on a non-interference basis and in conjunction with the Buyer's source inspections/surveillances whenever possible. Inspection or authorization by Buyer, or GSI, does not relieve Seller of its obligation to provide items that are in compliance with the requirements of the Purchase Order.

18. Records: Seller is required to provide, and adequately maintain, documented quality records for a minimum of ten years after delivery of the procured item(s). Prior to disposing of quality records, Supplier must notify Buyer or, alternatively, forward all quality records to Buyer upon completion of the contract.

19. Buyer Approvals: When specified on the Purchase Order, Buyer retains the rights to approve Seller product, procedures processes and equipment.

20. Qualification of Personnel: When specified on the Purchase Order, Buyer retains the rights to specify the particular qualifications of personnel performing certain processes. **21. Quality Management System:** When specified on the Purchase Order, Buyer retains the rights to require compliance and/or registration of the Seller's Quality Management System to specific Standard(s). The applicable Standard(s) will be stated on the Purchase Order. **22. Statistical Techniques:** When specified on the Purchase Order, Buyer retains the rights to approve the use of sampling inspection plans by the Seller.

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23. Flow down of Requirements: Seller shall establish in its own sub-tier Purchase Orders those requirements necessary to assure that each item delivered has been controlled, manufactured, and inspected in compliance with the requirements of the Buyer Purchase Order. Any requirements identified in the Buyer Purchase Order as "Customer Requirements" shall be flowed down to sub-tier suppliers exactly as specified. The Seller shall be responsible for the conformity of all products purchased from their own sub-tier suppliers, including product from sources defined by the Buyer and/or the Buyer's Customer.

24. First Article Inspection (FAI): When specified on the Purchase Order, Seller shall provide to Buyer a representative item from the first production run to verify that production processes, documentation

and tooling are capable of producing parts and assemblies that meet requirements. Seller shall provide to Buyer completed report showing objective evidence that all requirements of the Purchase Order, and related documents, drawings and specifications have been met. This First Article Inspection Report (FAIR) may be in the format chosen by Seller, however, the Buyer recommends that the compliance to the requirements of Aerospace Standard AS9102.

25. Special Requirements: When specified on the Purchase Order, Buyer has identified certain requirements that have high risks to being achieved thus requiring their inclusion in the Buyer risk management process. Those characteristics will be identified on Buyer documentation as “Critical” and or “Key”. Seller may be required to implement specific actions to ensure these characteristics are adequately managed by Seller. Specific controls shall be as agreed-upon between Buyer and Seller.

26. Certificate of Compliance: When specified on the Purchase Order, with each lot of items shipped against this order, the Seller shall provide a Certificate stating conformance with the requirements of Buyer’s procurement documents. The certificate shall specifically identify the purchased material and the procurement requirements (codes, standards, specifications etc.) met by the purchased items. The certificate, in the form of an affidavit, shall include a statement to the effect that all of the items shipped conform to all of the requirements of the procurement documents. The certificate shall be signed by a person whom Seller has made responsible for this function.

27. Test Results: When specified on the Purchase Order, each unit shipped shall be accompanied by copies of reports of actual test results, indicating part, serial, and test specification/procedure numbers, as applicable. Test results shall not be averaged, deleted, nor omitted from the record, unless specifically allowed by the test specification. These reports must contain the signature of a responsible representative of the agency performing the test and must assure conformance to specified requirements. The specifications must be listed, including, as applicable, the specification revision letter, revision number and revision date.

28. Material Test Reports – Chemical Properties: When specified on the Purchase Order, the Seller shall provide copies of the results of chemical tests required by the applicable specification for the materials used or delivered to this order. These reports must be authenticated by a responsible representative of the agency performing the tests and must be clear, objective evidence of conformance to the requirements of the applicable specification.

29. Material Test Reports – Mechanical Properties: When specified on the Purchase Order, the Seller shall provide copies of the results of mechanical tests required by the applicable specification for the materials used or delivered to this order. These reports must be authenticated by a responsible representative of the agency performing the tests and must be clear, objective evidence of conformance to the requirements of the applicable specification.

30. Ethics Policy: The Supplier shall review and agree to follow the same ethics policy of the Buyer which would include at a minimum: Health and Safety, protection of the Environment, Employee equal Opportunity and Value Diversity, Freedom of Association, Laws of working hours and compensation, Protection of confidential information, Discouragement of personal economic gain outside of business purposes.

31. Environmental and Safety Compliance. Any Goods supplied under the Purchase Order (if any), and the manufacture of such Goods, will comply in all respects with the applicable Laws related to the pollution or protection of the environment or human health and safety. Any Goods supplied under the Purchase Order, and the manufacture of such Goods, will comply in all respects with the Occupational Safety and Health Act of 1970, as amended (29 USC § 651, et seq.) and the applicable requirements of the Occupational Safety and Health Administration, if applicable, or such comparable foreign Law.

32. Conflict Minerals: Suppliers shall not knowingly procure or sell product or material determined to be from the Conflict Mineral region of the DRC and surrounding countries. Any product that is found to contain one of the conflict minerals from this region (currently Tin (Sn), Tantalum (Ta), Tungsten (W) and Gold (Au)), otherwise known as 3TG, must report this finding to Atlantic Casting within 48 hours of knowledge.

33. Foreign Object Debris / Damage (FOD): The supplier shall employ appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, if any, during operations and/or normal daily tasks and shall ensure FOD requirements are flowed down to sub-contractors and suppliers at every tier.

34. Suspect / Counterfeit Parts: Seller represents and warrants that it has policies and procedures in place to ensure that none of the supplies or materials furnished under this Contract are "Suspect/Counterfeit Parts" and certifies, to the best of its knowledge and belief that no such parts have been or are being furnished to Buyer by Seller. "Suspect/Counterfeit Parts" are parts that may be of new manufacture but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. Suspect/Counterfeit Parts also include refurbished parts, complete with false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government. If Buyer reasonably determines that Seller has supplied Suspect/Counterfeit Parts to Buyer, Buyer shall promptly notify Seller and Seller shall immediately replace the Suspect/Counterfeit Parts with parts acceptable to Buyer. Notwithstanding any other provision contained herein, Seller shall be liable for all costs incurred by Buyer to remove and replace the Suspect/Counterfeit Parts, including without limitation Buyer's external and internal costs of removing such Suspect/Counterfeit Parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Seller's goods after such Suspect/Counterfeit Parts have been exchanged. In addition, Buyer may unilaterally terminate any Purchase Order for Convenience depending on the impact of the delivery of Suspect/Counterfeit Parts on the Seller's overall performance on any such Purchase Order. Seller's warranty against Suspect/Counterfeit Parts shall survive any termination or expiration of this Purchase Order. Buyer reserves the right to seize and quarantine any / all Suspect/Counterfeit Parts it receives from Seller on this Purchase Order. Suspect/Counterfeit Parts may be forwarded to the original component manufacturer and / or the appropriate Federal or State authorities for final analysis, possible confiscation and / or destruction. If products furnished by the Seller are determined to in fact be counterfeit, Seller agrees to reimburse Buyer on the full purchase price paid as well as any shipping or 3rd party testing charges incurred by Buyer.

35. Information for External Providers:

A. Array Solders will communicate with suppliers the approval of control and monitoring of external supplier performance to be applied by Array Solders.

B. Array Solder will communicate with suppliers' the approval for verification or validation activities that Array or its customer intends to perform at the external suppliers premises.

C. Array Solders will communicate with suppliers the approval of design and development control as applicable.

D. Array Solders shall be notified by the supplier of changes in processes, products, or services, including changes of their external providers or location of manufacture, and obtain the organization's approval.

E. Array Solders will communicate with suppliers to ensure they are aware of their contribution to product or service conformity and contribution of product safety.

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