

PRECISE METAL PRODUCTS GENERAL PURCHASE ORDER TERMS AND CONDITIONS:

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GENERAL TERMS AND CONDITIONS

1. WARRANTIES/GUARANTEES

SUBCONTRACTOR hereby specifically warrants and guarantees to CONTRACTOR that all labor performed, and all materials and equipment incorporated or utilized in the performance of the Subcontract Work will be new, unless otherwise specified in writing, and that such will be of good quality, free from faults and defects, and in strict accordance with Subcontract Documents. These warranties and guarantees shall be for a minimum period of one (1) year from the date the Owner accepts the entire project. These warranties and guarantees shall be for any longer period of time mandated by the Registrar of Contractors, provided by the manufacturer, required by the Subcontract Documents, or required by governmental agencies having jurisdiction over the Subcontract Work.

2. INDEMNIFICATION

SUBCONTRACTOR shall indemnify and save harmless Buyer, Buyer's Customers, insurers, Affiliates and their employees, agents, officers and directors for and from all suits, claims, judgments, awards, losses, damages, costs or expenses (including attorneys' fees) relating to, arising out of, or caused by the performance hereunder, any act or omission of SUBCONTRACTOR'S or any Goods or Services.

SUBCONTRACTOR'S indemnification obligation hereunder covers, without limitation, injuries, sickness, diseases (including occupational disease whenever occurring), or death of SUBCONTRACTOR'S employees.

3. OSHA/SAFETY

SUBCONTRACTOR shall comply fully with all laws, orders, citations, rules, regulations, standards and statutes with respect to occupational safety and health, accident prevention, safety equipment and practices. SUBCONTRACTOR shall comply with the accident prevention and safety programs of Owner and CONTRACTOR. SUBCONTRACTOR shall conduct site inspections to determine and ensure that a safe working environment exists for his employees and the employees of his Subcontractors and Suppliers. SUBCONTRACTOR shall be responsible for the adequacy and required use of all safety equipment.

Every prime CONTRACTOR, SUBCONTRACTOR or any other CONTRACTOR with one or more employees must comply with Hazard Communication Standard 29 CFR 1926.59 by OSHA. Upon execution of this Subcontract Agreement, SUBCONTRACTOR shall provide CONTRACTOR a copy of its Written Hazard Communication Program along with copies of all Material Safety Data Sheets (MSDS's) applicable to this project.

SUBCONTRACTOR shall ensure that his employees and the employees of his Subcontractors and Suppliers are not under the influence of, in the possession of, or consuming alcoholic beverages, illegal substances or performance altering drugs of any kind at the jobsite, whether on or off duty, and regardless of time of day.

4. CONFLICT MINERALS

SUBCONTRACTOR recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries"). Accordingly, SUBCONTRACTOR commits to comply with Section 1502 of the Act and its implementing regulations; to the extent SUBCONTRACTOR is not a "Registrant" as defined in the Act, SUBCONTRACTOR shall comply with Section 1502 of the Act and its implementation regulations except for the filing requirements. In particular, SUBCONTRACTOR commits to have in place a supply chain policy and processes to undertake (i) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Buyer; (ii) due diligence of its supply chain, following a nationally or internationally recognized due diligence framework, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (iii) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. SUBCONTRACTOR shall take all other measures as are necessary to comply with Section 1502 of the Act and its implementing regulations, including any amendments thereto.

5. REACH

SUBCONTRACTOR represents and warrants that all the products, parts of products and/or materials supplied under this Agreement (the "Products") in the European Economic Area (EEA) (the EEA includes all countries in the European Union or "EU" as well as Norway, Iceland and Liechtenstein) will be supplied in full compliance with the provisions of the European Regulation (EC) n° 1907/2006 of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (the "REACH Regulation"). Terms used in this Section and not otherwise defined herein shall have the meanings ascribed to them in the REACH Regulation.

SUBCONTRACTOR represents and warrants that all the substances in the Products supplied in the EEA, as well as substances manufactured in the EU that are present in the Products supplied anywhere, that require registration by SUBCONTRACTOR or by SUBCONTRACTOR'S suppliers will be registered within the applicable REACH statutory deadlines and that such registration will cover all the uses identified in due time by Buyer to SUBCONTRACTOR. Upon request, SUBCONTRACTOR expressly undertakes to appoint (or obtain that the non-EU manufacturers/formulators appoint) an Only Representative to pre-register and register any substance present in the Products imported by Buyer or one of its affiliates or customers in the EEA.

SUBCONTRACTOR shall investigate and communicate to Buyer if there are any substances present in the Products, or in any of the processes used to manufacture, assemble, use, maintain or repair the Products, that are listed: (i) in Annex XIV of REACH for Authorization, (ii) on the "Candidate List" (as published in accordance with Article 59.1 of the REACH Regulation), (iii) for which a REACH Annex XVII restriction exists or is proposed, (iv) in the "CoRAP" list for Substance Evaluation under REACH, or (v) the International Aerospace Environmental Group's ("IAEG") AD-DSL ("Aerospace and Defense Declarable Substance List"). SUBCONTRACTOR shall provide Buyer for each such substance identified and communicated in (i) through (v) with (a) its chemical identity, (b) its weight/weight percent on a substance by substance basis in each Product type and in each component/part (hereinafter "part") thereof to the extent such parts are "articles" under REACH, and (c) safe use information. This ongoing obligation also applies to Products already supplied under this Agreement at the time the substances are identified as per (i) through (v) above.

In order to meet its obligation under Article 1.1.c of REACH, SUBCONTRACTOR shall complete the Material Declaration Form attached for all Products supplied under this Agreement. In some cases, Buyer may designate an alternative reporting procedure. SUBCONTRACTOR shall provide Buyer with the information required by the Material Declaration Form within 6 months of the Effective Date of this Agreement or within another mutually agreed timeframe. SUBCONTRACTOR shall use best efforts to promptly supplement or update the provided information in the Material Declaration Form as appropriate (for example, as manufacturing processes change and different chemical substances are used in the Products) so that the Material Declaration Form is accurate and complete. SUBCONTRACTOR shall also update the Material Declaration Form as soon as, but no later than 30 days from when, a new substance is identified and added to one of the lists set forth in Article 1.1.c above.

SUBCONTRACTOR undertakes to timely provide Buyer with a safety data sheet ("SDS") that is compliant with REACH and the European Regulation (EC) n° 1272/2008 of 16 December 2008 on the classification, labeling and packaging of substances and mixtures (the "CLP Regulation"), including providing the SDS in the language of the country or area where the Goods will be delivered, for any Product supplied under this Agreement that meets the criteria of Article 31 of REACH on SDS, and where an SDS is not required, provide Buyer with such other information as set forth in Article 32 of REACH.

Where the Products or parts thereof meet the definition of "articles" under REACH and contain chemical substances listed on the Candidate List, SUBCONTRACTOR undertakes to timely provide Buyer with all relevant information on such Products and parts that SUBCONTRACTOR and/or its SUBCONTRACTORS are required to communicate down the supply chain under the REACH Regulation, including safe use information compliant with REACH.

To the extent that the SUBCONTRACTOR is a chemical manufacturer, formulator or distributor, this paragraph applies. SUBCONTRACTOR agrees to assist Buyer in (i) determining which chemicals/products supplied by SUBCONTRACTOR to Buyer contain SVHC's that will require Authorization for the Products supplied within Buyer's supply chain and (ii) determining which upstream SUBCONTRACTOR(s) can ensure Authorization for such substances to cover Buyer's uses, including but not limited to identifying and providing Buyer with the name of the chemical formulator or other SUBCONTRACTOR supplying the SVHC that either require Authorization or are likely to require Authorization in the future. SUBCONTRACTOR will assist Buyer in obtaining full product chemical content from upstream SUBCONTRACTORS for all Products supplied by SUBCONTRACTOR to Buyer no later than 5 years from the effective date of the Agreement.

To the extent that the SUBCONTRACTOR is a chemical manufacturer, formulator or distributor, this paragraph applies. SUBCONTRACTOR agrees to assist Buyer in ensuring that all chemicals/products containing SVHC's that require Authorization are appropriately Authorized for Buyer's uses, or at Buyer's request apply for such Authorization where appropriate. Should SUBCONTRACTOR apply for such Authorization at Buyer's request, SUBCONTRACTOR and Buyer shall negotiate an equitable fee for such service based on both the additional cost to SUBCONTRACTOR as well as the benefit to SUBCONTRACTOR in holding such an Authorization.

6. FOD PREVENTION (foreign object debris that causes damage)

SUBCONTRACTOR shall at all times, assure goods supplied are free from Foreign Object Debris and Damage. An FOD Prevention program is highly recommended, however, at a minimum SUBCONTRACTOR agrees to remove all debris and prevent damage to supplied goods. SUBCONTRACTOR shall ensure product or service safety during processing at its premises. Assuring the state in which the product is able to perform to its designed or intended purpose without causing unacceptable risk of harm to persons or damage to property.

7. VISION ACUITY

All individuals performing inspection activities require annual eye exams. This requirement is to be flowed down to sub-tiers accordingly. Vision Examination shall meet the requirements of: Snellen 14/18 or better, (20/30), or Jaeger 2.

A medical professional or licensed optometrist/ ophthalmologist must perform the eye examinations (eye clinic, occupational health clinic, on site health clinic or medical department). Documented information (records from examinations must be available).

8. INSPECTION, ACCEPTANCE AND REJECTION

SUBCONTRACTOR shall only tender Goods that have passed inspection in accordance with the applicable inspection system and that otherwise conform to all requirements of an Order.

During the Inspection Period, Precise Metal Products may, with respect to any Goods: (i) reject all or a portion of any nonconforming Goods; (ii) accept all or a portion of such nonconforming Goods with a price reduction for the cost of repair or the diminution of value; or (iii) accept any conforming Goods and reject the rest.

Within 30 days of SUBCONTRACTOR receipt of Precise Metal Products notification of a nonconformity, SUBCONTRACTOR shall investigate the nonconformity, deliver to Precise Metal Products a written report of its investigation and conclusions, and formulate a corrective

action plan acceptable to Precise Metal Products. Once approved by Precise Metal Products, SUBCONTRACTOR must then timely implement such corrective action plan.

With respect to rejected nonconforming Goods, Precise Metal Products may at its election and at SUBCONTRACTOR'S risk and expense (i) hold nonconforming Goods, or (ii) return nonconforming Goods to SUBCONTRACTOR for, at Precise Metal Products option, either (a) full credit or refund or (b) replacement Goods to be received within 24 hours of nonconformity notification. Title to such rejected Goods returned to SUBCONTRACTOR shall transfer to SUBCONTRACTOR upon such delivery and such Goods shall not be replaced by SUBCONTRACTOR except upon written instructions from Buyer. Goods returned to Buyer hereunder shall be shipped at SUBCONTRACTOR'S expense and risk of loss. Additionally, rejected nonconforming Goods shall not be tendered again to Buyer for acceptance unless permitted by Buyer and applicable law, and accompanied by a disclosure of Buyer's prior rejection(s).

Notwithstanding any other provision, in addition to the foregoing, SUBCONTRACTOR shall be liable for Buyer's actual costs, expenses and damages related to or arising from nonconforming Goods and/or Services, including but not limited to labor and other costs related to transportation, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, reinspection, retrofit, replacement, and any and all other such corrective action costs incurred by Buyer.

9. PROPRIETARY INFORMATION and NON DISCLOSURE

In order to deliver the most effective and efficient Goods and/or Services possible and meet Buyer's requirements for those Goods and/or Services, Precise Metal Products and SUBCONTRACTOR anticipate the need to exchange Proprietary Information (as defined below) for the development, testing, manufacture and/or repair of Goods and/or Services, as applicable in connection with such Order and/or the Agreement. In recognition of the value of that Proprietary Information, as well as to protect Buyer's goodwill and reputation in its products, SUBCONTRACTOR agrees to the terms and conditions of this Section.

"Proprietary Information" shall mean all information, knowledge or data (including without limitation financial, business, and product strategy information; product specifications; product designs; procedures; studies; tests; and reports) in written, electronic, tangible, oral, visual or other form, (i) disclosed by, or obtained from, Buyer or (ii) conceived, created, acquired, or first reduced to practice in connection with the Order. If Buyer furnishes sample products, equipment, or other objects or material to SUBCONTRACTOR, the items so received shall be used and the information obtained from said items shall be treated as if they were Proprietary Information disclosed in connection with the Order.

Unless SUBCONTRACTOR has received Buyer's express written consent to the contrary, SUBCONTRACTOR shall (i) use the Proprietary Information solely for the purposes of the Order, and not for any other purpose (including, without limitation, designing, manufacturing, selling, servicing or repairing equipment for entities other than Buyer; providing services to entities other than Buyer; or obtaining any government or third party approvals to do any of the foregoing); (ii) safeguard the Proprietary Information to prevent its disclosure to or use by third parties; (iii) not disclose the Proprietary Information to any third party; and (iv) not reverse engineer, disassemble, or decompile the Proprietary Information.

SUBCONTRACTOR may disclose the Proprietary Information to officers, directors, employees, contract workers, consultants, agents, affiliates or subcontractors of SUBCONTRACTOR who have a need to know such Proprietary Information for the purposes of performing the Order and who have executed a written agreement with SUBCONTRACTOR obligating such entity or person to treat such information in a manner consistent with the terms of this Section.

The Order shall not restrict SUBCONTRACTOR from using or disclosing any information that, as proven by written contemporaneous records kept in the ordinary course of business: (i) is or may hereafter be in the public domain through no improper act or omission of SUBCONTRACTOR or a third party; (ii) is received by SUBCONTRACTOR without restriction as to disclosure by SUBCONTRACTOR from a third party having a right to disclose it; (iii) was known to SUBCONTRACTOR on a non-confidential basis prior to the disclosure by Buyer; or (iv) was independently developed by employees of SUBCONTRACTOR who did not have access to any of Buyer's Proprietary Information.

If Proprietary Information is required to be disclosed pursuant to judicial process, SUBCONTRACTOR shall promptly provide notice of such process to Buyer and, upon request, shall fully cooperate with Buyer in seeking a protective order or otherwise contesting such a disclosure. Disclosure of such requested Proprietary Information shall not be deemed a breach of the Order provided that the obligations of this Section are fulfilled by SUBCONTRACTOR.

Buyer shall have the right to audit all pertinent documentation of SUBCONTRACTOR, and to make reasonable inspection of SUBCONTRACTOR'S premises, to verify compliance with this Section.

If the SUBCONTRACTOR receives hardware, technical data, manufacturing drawings, specifications, software or any other type of items from Buyer, it is the responsibility of the SUBCONTRACTOR to ensure compliance with all U.S. export laws and regulations, as well as all applicable local export laws and regulations if Company is located outside the U.S., in the performance under this Agreement. These laws include, but are not limited to, (a) Section 38 of the Arms Export Control Act as enumerated in 22 CFR Parts 120-130, the International Traffic in Arms Regulations ("ITAR"), and (b) Export Administration Act of 1979, as amended in 15 CFR Parts 730-774 of the Export Administration Regulations ("EAR"), and all applicable local export laws and regulations if Company is located outside the U.S. SUBCONTRACTOR will also obtain prior written authorization from Precise Metal Products to transfer, disclose or export any Precise Metal Products' technical data, manufacturing drawings, specifications, software or other similar items to any "Foreign Persons."

Obligations in this Section regarding Proprietary Information shall continue until such time as all Proprietary Information is publicly known and generally available through no improper act or omission of SUBCONTRACTOR or any third party.

Unless required otherwise by law or the Order, SUBCONTRACTOR shall promptly return, or otherwise dispose of Proprietary Information as Buyer may direct. Absent contrary instructions, SUBCONTRACTOR shall destroy all Proprietary Information 1 year after termination or completion of the Order and provide written acknowledgement to Buyer of such destruction.

SUBCONTRACTOR shall not make accessible or sell completed or partially completed or defective Goods manufactured using or containing Proprietary Information to any unauthorized third parties. Goods not provided to Buyer shall be disposed of in a manner that prevents disclosure of Proprietary Information (including by reverse engineering).

10. CODE OF ETHICAL CONDUCT

Precise Metal products is committed to the highest standards of ethics and business conduct. As stated in this Code of Ethical Conduct, all employees and SUBCONTRACTORS must comply with the law, honor their commitments, act in good faith, uphold Precise Metal Products values, communicate openly and effectively and hold themselves accountable.

Our SUBCONTRACTORS are critical to our success and, in order to provide superior products and services in a responsible manner, we require you to meet our expectations for ethics and compliance.

Precise expects that our product and service SUBCONTRACTORS will have their own internal codes of ethics and conduct. This code is not intended to be an exhaustive list of all ethical and business conduct requirements to be followed by SUBCONTRACTORS. You are responsible for ensuring that your directors, officers, employees, representatives and business partners understand and comply with the expectation set forth in this code.

Compliance with Laws: At a minimum, you must maintain full compliance with all laws and regulations applicable to the operation of your business and your relationship with Precise Metal Products.

Quality and Environmental Health and Safety: Your products and services must be designed, produced, and delivered with the paramount consideration being the safety and health of your employees and consumers. You must have in place quality assurance processes to detect, communicate to Precise Metal Products and correct defects to ensure delivery of products and services that meet or exceed contractual quality, legal and regulatory requirements. All required inspection and testing operations must be completed properly by appropriately authorized and qualified individuals, and any required certifications must be completed accurately. At a minimum you must comply with environmental, health and safety regulations established by law.

Competition on the Merits and Fair Play: You must not pay a bribe in any amount, to anyone, anywhere, for any reason whatsoever, whether on Precise Metal Products behalf, your behalf, or on behalf of others. Accordingly, you must never offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts or courtesies) with the intent or effect of inducing anyone to forego their duties and provide unfair business advantage to Precise Metal Products, you, or others. You must not engage in any anti-competitive conduct for any reason whatsoever, whether on Precise Metal Products behalf, your behalf, or on behalf of others.

Conflict of Interest: You must avoid all conflicts of interest or situations giving the appearance of a conflict of interest in your dealings with Precise Metal Products. You must report to Precise Metal Products any instances involving actual or apparent conflicts of interest between your interests and those of Precise Metal Products, such as when one of your employees (or someone close to one of your employees) has a personal relationship with a Precise Metal Products employee who can make decisions impacting your business, or when a Precise Metal Products employee has an ownership or financial interest in your business.

International Trade Compliance: You must conduct business in strict compliance with all applicable laws and regulations governing the export, re-export and retransfer of goods, technical data, software and services; import of goods; economic sanctions and embargoes; and U.S. anti-boycott requirements.

Information Protection: You must respect the legitimate proprietary rights and intellectual property rights of Precise Metal Products and others. You should not use such information for any purpose other than the business purpose for which it was provided.
Falsification of Documentation. (Applications, reports, records, etc.)
No person shall make or intentionally make any fraudulent statement or false statements, fraudulent or false reproduction or alteration on any documentation.

Non-Discrimination, Child Labor and Human Trafficking: You must treat your existing and prospective employees and business partners fairly, based only on merit and other factors related to your legitimate business interests, and without regard to race, religion, color, age, gender, gender identity or expression, sexual orientation, national origin, marital status, veteran status or disability. You must ensure that child labor is not used in the performance of your work, whether or not related to Precise Metal Products business. The term “child” refers to any person under the minimum legal age for employment where the work is performed. You must comply with laws and regulations prohibiting human trafficking. You must not engage in the use of forced labor, bonded labor, indentured labor, involuntary prison labor, slavery or trafficking in persons.

Anonymous Reporting & Reporting Misconduct: We expect you to provide your employees and your business partners with access to adequate reporting channels to raise legal or ethical issues or concerns, including, without limitation, reports of a violation of this Code by you or your business partners, without fear of retaliation, including opportunities for anonymous reporting. In the event that you become aware of misconduct related to Precise Metal Products business undertaken by any Precise Metal Products employee, any of your employees, or any employees of your business partners, we expect you to promptly notify Precise Metal Products. You may contact Code of Ethics Office phone: (602) 682-7809

11. MISCELLANEOUS

Right of access by Precise Metal Products, their customer and regulatory authorities to all facilities involved in the order and quality records shall be provided for review upon request.

All certifications and or test reports are to be to the latest revision level of the standard. All key characteristics listed, test specimens, material certifications, and inspection records are to be submitted to Precise Metal Products. Non conforming material to be submitted to Precise Metal Products for disposition. Changes in manufacturing /processing facility location, changes of SUBCONTRACTORS, product and processes shall also be submitted to Precise Metal Products for approval. Retention of records for Aerospace goods shall be retained for a period of no less than (11) years. SUBCONTRACTOR shall follow and flow down all customer requirements as applicable to sub tier SUBCONTRACTORS, including ASQR 01, ASQR 09.2, SQOP-01-01, SQR-01 and all SPOC Requirements. SUBCONTRACTOR to accompanying the following as it applies to the product: certificate of conformity, test reports, statistical records, process control, Detail Inspection Plan. Contact PMP for contract orders that are DPAS rated and classifications for export status.

To ensure **compliance of U.S. export laws**, Precise Metal Products does not conduct any business transaction with the “Denied Persons List” published by the U.S Department of Commerce, the “Debarred List” published by the Department of State and the “Specially Designated Nationals List” published by the Department of Treasury, Foreign Assets Control. Precise Metals Products requires that all s SUBCONTRACTORS and its sub contractors to comply with these laws as well. SUBCONTRACTOR agrees to include this requirement in lower tier Purchase Orders and/or sub contracts.

To view the U.S Government web site for the agencies noted above please visit the consolidated screening list: <https://www.export.gov/csl-search>

To prevent and mitigate the use of **counterfeit** parts, supplier and all members of their supply chain, including Distributors, shall comply with the requirements of AS6174 for non-electronic product.

If suspect/counterfeit goods are furnished under this order or are found in any of the goods delivered hereunder, such items will be impounded by Precise Metal Products. Upon request of Precise Metal Products, Seller shall immediately provide documentation that authenticates traceability of the affected goods to the applicable ORIGINAL EQUIPMENT MANUFACTURER/ORIGINAL

SUBCONTRACTORS shall have the capability to communicate in English. In cases where Supplier maintains copies in their native language as well as in English, and there is a conflict, the English language document shall take precedence when communicating with Precise Metal Products.

Precise Metal Products Quality Management Policy:

“Develop strong internal and external customer focus while continually improving processes to assure product and services offered are delivered on time, in full compliance with customer requirements and the company’s objectives.”

12. QUALITY MANAGEMENT SYSTEM REQUIREMENTS

SUBCONTRACTORS shall take into consideration the certification requirements presented below.

ORGANIZATION TYPE	QUALITY MANAGEMENT SYSTEM MINIMUM REQUIREMENT
Distributor	AS 9120 registration
Special Process	Nadcap or Customer’s requirements
Raw Material (Manufacture, inspect, test, and certify the conformance of Raw Material and /or industry standard part to proprietary engineering specifications and/or industry standard)	ISO 9001 registration
Castings and Forgings Produced to a Proprietary Design	AS 9100 registration
External Calibration or Laboratory Service Provider	ISO/IEC 17025 or National Equivalent, e.g., UKAS, COFRAC, NIST.
Production Shop Assist Only. Offload of planned manufacturing operations	At a minimum supplier must have a Quality Management System in place that meets ISO 9001. No registration required.