



# GENERAL TERMS & CONDITIONS OF PURCHASE

1. **ISSUANCE OF ORDERS:** AMANET (herein referred to as Buyer) Purchase Orders (PO) are binding agreements. Only Buyer's authorized to issue PO's on behalf of the company. Buyer shall place orders by the use of PO's. All Buyer's contractual directions (including, but not limited to, pricing, delivery, and configuration changes) shall be authorized in writing by Purchasing Agents only.

2. **ACCEPTANCE:** Each Order is Buyer's offer to Seller and acceptance is strictly limited to its terms. Buyer shall not be bound by and specifically objects to any term or condition, which is different from, or in addition to the provisions of the Order, whether or not such term or condition materially alters the Order. Seller's commencement of performance or acceptance of the Order in any manner shall conclusively evidence Seller's acceptance of the Order as written. Buyer may revoke without any obligation any Order prior to Buyer's receipt of Seller's written acceptance or Seller's commencement of performance.

3. **PURCHASE ORDERS:** The PO shall include the following information: PO Number, Item Number, Part Number, Part Description, Quantity Ordered, Unit Price/ Lot Charge, Required Delivery Date, and Signature of Authorized Buyer. Any changes to an order will be made using a Purchase Order Change (POC). The Seller shall proceed immediately to perform the order as changed. Seller shall notify their Buyer immediately of any proposed changes to a PO, either verbally or in writing. If a proposed change is accepted, it will be formally acknowledged through a POC to document the change. Seller shall specify in writing any reason for rejecting an order and any changes or additions that would make the order acceptable to the Seller. Any charges that do not appear on an authorized PO will not be considered valid charges, and will not be paid.

All prices shall include applicable taxes, except sales taxes which are to be separately shown where applicable.

Seller warrants that the prices charged for the Goods or Services ordered will be as low as the lowest prices charged by the Seller to any customers purchasing similar goods or services in the same or smaller quantities and under like circumstances.

4. **PACKING AND SHIPPING:** Seller shall make no charge for packaging or storage. All Goods shall be packaged, marked, and otherwise prepared in accordance with good commercial practices to obtain lowest shipping rates and in accordance with all applicable federal, state and local packaging and transportation laws and regulations. Seller shall package Product so that it is protected against damage during transport. Seller shall prevent, detect and remove any foreign objects that could damage Product during shipment. Seller shall mark on containers handling and loading instructions, shipping information, order number, item and account, shipment date and names and address of Seller and Buyer. An itemized packing list shall accompany each shipment.

5. **DELIVERY:** Title to and risk of any loss of or damage to the Order shall pass from Seller to Buyer at the FOB point, as specified on the applicable PO, except for loss or damage thereto resulting from Seller's fault or negligence. Unless otherwise specified on the face of this order, the FOB point shall be Seller/Buyer's location designated on the Purchase Order. Passage of title on delivery does not constitute Buyer's acceptance of Products.

Seller may not make early or partial deliveries without prior written authorization from Buyer. Seller shall notify Buyer immediately of any circumstances that may cause a delay in delivery, stating the estimated period of delay and reasons therefor. If requested by Buyer, Seller shall use additional effort, including premium effort and shall ship via air or other expedited routing to avoid or minimize delay to the maximum extent possible. All additional costs resulting from such premium effort or premium transportation shall be borne by Seller, with the exception of such costs attributable to delays caused directly by Buyer.

6. **INVOICING:** After each shipment made or service provided under this order, Seller shall send a separate invoice, including item numbers, in duplicate, accompanied by a bill of lading or express receipt. Payment of invoice shall not constitute acceptance of the Goods or Services and shall be subject to appropriate adjustment for failure of Seller to meet the requirements of this order. Payment terms are net 30 days. Buyer may set off any amount owed by Seller or any of its affiliated companies to Buyer against any amount owed by Buyer to Seller under this order.

7. **INSPECTION:**

(a) All Goods shall be inspected and accepted by Seller prior to shipment to Buyer.

(b) All Goods may be inspected and tested by Buyer, its customers, higher tier contractors, and the U.S. Government, at all reasonable times and places. If such inspection or testing is made on Seller's premises, Seller shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests. In its internal inspection and testing of the Goods, Seller shall use an inspection system accepted by Buyer in writing. All inspection records relating to the Goods shall be available to Buyer during the performance of this contract, and retained for a minimum period of ten (10) years or for such longer periods specified by Buyer in its acceptance of the inspection system. Seller must have Buyer written approval before disposal/disposition of any records.

(c) Final inspection and acceptance by Buyer shall be at Buyer's plant or shipping destination unless otherwise specified in this order. Such inspection shall be in accordance with the customary established inspection procedures. If rejection of a shipment would result from Buyer's normal inspection level under such procedures, Buyer may, at its option, conduct up to 100% inspection, and charge the Seller the reasonable costs thereof.

(d) No inspection (including source inspection), tests, approval (including design approval), or acceptance of the Goods shall relieve Seller from responsibility for any defects in the Goods or other failures to meet the requirements of this order, or for latent defects, fraud, such gross mistakes as amount to fraud, and Seller's warranty obligations. If the Goods are defective or otherwise not in conformity with the requirements of this order, Buyer may, by written notice to Seller: (1) rescind this order as to such Goods; (2) accept such Goods at an equitable reduction in price; or (3) reject such Goods; and require the delivery of replacements. A written notice specifying such Goods are replacements shall accompany deliveries of replacements. If Seller fails to deliver required replacements promptly, Buyer may: (1) replace or correct such Goods and charge the Seller the cost occasioned Buyer thereby; or (2) terminate this order for any cause provided in this Section hereof. Rights granted to Buyer under this Section are in addition to any other rights or remedies provided elsewhere in this order or in law.

8. **TOOLS:** If Buyer furnishes Seller equipment (such as special dies, molds, jigs, tools, test equipment, masks, etc.) or pays for such equipment, title thereto shall remain or vest in Buyer, and Seller shall identify, maintain and preserve such equipment and shall dispose of it in accordance with Buyer's direction. Unless otherwise authorized in writing by Buyer, Seller shall use such equipment solely in the performance of purchase orders for Buyer. Seller shall be responsible for any loss, damage, or destruction to such equipment, but Seller shall not include any insurance cost therefore or cost to store in the prices charged

under this order. Buyer also reserves the right to request and receive list of Buyer's owned tools in supplier's possession and to audit said list against actual tools at supplier's facility. Buyer reserves the right, at its sole discretion, to remove any Buyer owned tooling, if Buyer feels work is in jeopardy.

9. **MATERIAL:** If Buyer furnishes any material (such as extrusions, fasteners, bearings, bushings, etc.) for fabrication hereunder Seller agrees (1) not to substitute any other material in such fabrication (2) title to such materials shall not be affected by incorporation in or attachment to any other property, and (3) all such material (except that which becomes normal industrial waste or is replaced at the Sellers expense) will be returned in the form of products or unused material to Buyer. In addition Seller shall inspect any Buyer furnished material and shall have the right to reject any nonconforming material but in the event of losses or attrition thereafter Seller shall be responsible for replacing such material at Sellers expense. Inaccuracies, out of tolerance conditions or inadequacies in quantity of materials accepted by the Seller shall not excuse performance in strict accordance with the applicable specifications and/or drawings. Buyer-supplied, owned, or dedicated product or materials shall not be sold, delivered, given, or otherwise used by or for any other customer or supplier without the Buyer's written agreement.

10. **CONFIDENTIAL OR PROPRIETARY INFORMATION AND PROPERTY:** Seller shall keep confidential and otherwise protect from disclosure all information and property obtained from Buyer in connection with this order and identified as confidential or proprietary. Unless otherwise expressly authorized herein or by Buyer, Seller shall use such information and property, and the features thereof, only in the performance and for the purpose of the order. Upon Buyer's request, and in any event upon the completion, termination or cancellation of this order, Seller shall return all such information and property to Buyer or make such other disposition thereof as is directed by Buyer. Seller shall not sell or dispose of as scrap or otherwise, any completed or partially completed or defective proprietary property before receiving written authorization from Buyer and before rendering such property unsuitable for use.

11. **SUBCONTRACTS:** Seller (External Provider) shall obtain Buyer's prior written consent before issuing any next-tier subcontract under this agreement. The Seller (External Provider) will require their direct and sub-tier external providers, to ensure that requirements are met.

12. **LIABILITY FOR INJURY:** Seller shall indemnify Buyer against any and all costs, loss and liability for all personal injury and property damage caused by the Goods or Services performed by Seller (whether performed on the premises of Seller or Buyer or elsewhere) and shall defend at its sole cost and expense any action brought against Buyer as a result of any such personal injury or property damage. Seller shall carry and maintain insurance coverage satisfactory to Buyer to cover the above, and upon Buyer's request, shall furnish Buyer with evidence of such insurance in a form satisfactory to Buyer.

13. **ASSIGNMENT:** Seller shall not assign this order or any rights under this control without the prior written consent of Buyer, and no purported assignment by Seller shall be binding on Buyer without such written consent.

14. **EXCUSABLE DELAY:** If delivery of any product is delayed by unforeseeable circumstances beyond the control and without the fault or negligence of Seller or its suppliers (and such delay being hereinafter referred to as "Excusable Delay"), the delivery of such product shall be extended for a period to be determined by Buyer after an assessment by Buyer of alternate work methods. Excusable Delays may include, but are not limited to, acts of God, war, riots, acts of government, fires, floods, epidemics, quarantine restrictions, freight embargoes, strikes or unusually severe weather, but shall exclude Seller's noncompliance with any rule, regulation or order promulgated by any governmental agency for or with respect to environmental protection. However, the above notwithstanding, Buyer expects Seller to continue production, recover lost time and support all schedules as established under this contract or any order. Therefore it is understood and agreed that (i) delays of less than two (2) days' duration shall not be considered to be Excusable Delays and (ii) if delay of any product is caused by the default of any of Seller's suppliers, such delay shall not be considered an Excusable Delay unless the supplies or services to be provided by such supplier are not obtainable from other sources in sufficient time to permit Seller to meet the applicable delivery schedules. If any Excusable Delay delays delivery of any product for more than one (1) month, Buyer may, without any additional extension, cancel all or part of any order with respect to the delayed products.

15. **ANTI-KICKBACK:** Seller warrants that it is in full compliance with the provisions of the Anti-Kickback Act of 1986, 41 U.S.C. 51-58 and shall indemnify, protect, defend and hold Buyer harmless from any liabilities or monetary loss Buyer may suffer as a result from failure of such compliance by Seller.

16. **RIGHT OF ENTRY:** The buyer, its authorized representatives, regulatory agencies or its' customers, reserve the right of access to the supplier premises at any point of manufacturing to determine quality of work and material. This may be done at all reasonable times and may be used to conduct preliminary inspections and tests of the products and work in process. Such investigation by the buyer, regulatory agencies, or its' customers, will be performed with the knowledge of and jointly with the supplier."

17. **WAIVER:** The failure of Buyer to insist upon the performance of any provision of this order, or to exercise any right or privilege granted to the Buyer under this order, shall not be construed as waiving such provision or any other provision of this order, and the same shall continue in full force and effect. If any provision of this order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this order shall not be affected thereby, and shall remain in full force and effect.

18. **COUNTERFEIT PARTS PREVENTION:** The external provider must implement a program that will prevent the use of counterfeit parts (per 8.1.4 of AS 9100D standard).

19. **EXTERNAL PROVIDERS MUST ENSURE THAT THEIR PERSONS ARE AWARE OF:** a. their contribution to product or service conformity; b. their contribution to product safety; c. the importance of ethical behavior.

NOTE: This agreement is valid for all Purchase Orders issue by AMANET to Suppliers.

Supplier Contact: \_\_\_\_\_

Supplier Name: \_\_\_\_\_

Signature of Agreement: \_\_\_\_\_

Date: \_\_\_\_\_

Please sign and return.