

A&G T&C's of Purchase - September 2024

A&G MACHINE INC.

STANDARD TERMS AND CONDITIONS OF PURCHASE

This document sets forth the terms and conditions which govern all purchases of goods and services, including any Contract or purchaser order, by A&G Machine Inc.

1. **Definitions.** As used throughout these Standard Terms and Conditions of Purchase (“**Terms and Conditions**”) and any other Contract or purchase order referencing these Terms and Conditions, the following definitions apply unless the context requires otherwise: “**A&G**” means any A&G Machine Inc. entity issuing a purchase order or engaged in a Contract with Supplier. “**Supplier**” shall mean the contracting party with whom the purchase order is placed, or with whom A&G has engaged in a Contract. “**Purchase Order**” or “**Contract**” (if the context so requires) shall mean the authorized ordering mechanism placed by A&G with Supplier for goods or services. Contract may include, for example, a written long-term agreement or statement of work between the parties. “**Government**” shall mean the United States Federal Government or any department or agency thereof.

Acceptance.

2.1. **Acceptance of A&G's Offer.** Any purchase order issued by A&G to any Supplier is an offer by A&G that becomes binding on the terms contained therein and in these Terms and Conditions, and any applicable Contract, when it is accepted by Supplier. Supplier will be deemed to have accepted such offer on A&G's terms if Supplier commences working on the goods or providing the services, or ships the goods, which are the subject of the purchase order, or if Supplier issues a written order acknowledgement. Any acceptance by Supplier of a purchase order is limited to acceptance of the express terms of the purchase order and those incorporated in the purchase order by reference of these Terms and Conditions.

2.2. **Attempts to Alter Terms Rejected.** Any attempt by Supplier to alter the terms offered by A&G, or to propose additional terms, will be considered invalid and rejected by A&G unless A&G specifically accepts in writing such alterations. The altered or additional terms proposed by Supplier and deemed rejected by A&G will be considered a material alteration of A&G's offer, and A&G's offer will be deemed rejected by Supplier without such altered or additional terms.

2.3. **Prior Offer by Supplier.** If any purchase order issued by A&G to Supplier is deemed to be an acceptance of a prior offer by Supplier, A&G's acceptance of such prior offer will be deemed limited to these Terms and Conditions, any applicable Contract, and in the purchase orders issued by A&G. In such cases, any other terms deemed to be part of Supplier's offer will be deemed material and rejected by A&G; but such rejection by A&G will not be deemed to operate as a rejection of Supplier's offer unless the rejected terms are those of price or quantity.

PRICING, DELIVERY, INVOICING, PAYMENT TERMS, ETC.

3. **Packing, Marking and Shipping.** Supplier shall pack, mark and ship all goods and supplies in any reasonable modifications set forth in the relevant purchase order, and so as to be in material and structural compliance with all applicable transportation regulations and good commercial practice for protection against damage from weather and shipment, including any applicable federal, state and local laws and regulations for the packaging, labeling, transportation and shipping of hazardous materials. Supplier shall follow A&G written shipping instructions and secure the most advantageous transportation services and rates. A&G is not responsible for separate or additional charges for containers, crating, boxing, handling, dunnage, drayage or storage, unless specifically stated in the purchase order or otherwise agreed to by A&G in writing. Supplier shall mark each container with the number of the purchase order, part number and any other markings called for on the face of the purchase order, and shall enclose a packing slip with the purchase order number item description, part number, serial number, quantity and total number of containers in an envelope attached to each container. Certifications required on the face of the purchase order or by the technical data must also be included with the shipment of articles. Damage resulting from improper packing or shipping will be charged to Supplier.

4. Invoicing, Payment Terms.

4.1. **Invoicing.** All invoices are to be sent to A&G at the address stated in the purchase order or submitted by email to accounting@agmach.com. In order to be considered for payment, each invoice must:

4.1.1. Show the relevant A&G purchase order number;

4.1.2. Itemize any taxes to be paid by A&G;

4.1.3. Contain line item numbers from the A&G purchase order, description, unit price, quantity and extended price, if any;

4.1.4. If requested by A&G, contain the name of the person requesting the material or service;

4.1.5. If requested by A&G by written notification, contain Supplier's certification that all goods and services reflected therein were produced and supplied in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the U.S. Department of Labor.

4.2. **Delays for Non Compliance.** Failure to comply with invoice requirements outlined in these Terms and Conditions may result in a delay in payment by A&G and a postponement of the due date until such a time that Supplier has remedied such non-compliance.

4.3. **Offset; Withholdings.** A&G may offset against any amounts due under Supplier's invoices: (a) any damages resulting from Supplier's default under or breach of any Contract, purchase order, or these Terms and Conditions; (b) any amount owing from Supplier to A&G; (c) any adjustment for shortage or rejection and any costs occasioned thereby, or (d) any overcharge by Supplier. In the event that A&G becomes aware of a potential violation of any law, regulation or order, or contractual obligation by Supplier in relation to its performance hereunder, A&G may withhold, without liability or interest, any payment due associated with matters relating to such potential violation, pending investigation and resolution of such potential violation.

4.4. **Payment Terms.** Unless otherwise provided under the applicable purchase order or written agreement between A&G and Supplier, payment terms shall be net Thirty (30) calendar days. The term of any payment provided for in the purchase order, and all related discounts, shall be calculated from (i) the date the items are received, (ii) the date the items are scheduled to be received, or (iii) the date an acceptable invoice is received, whichever is latest.

4.5. **Payment Date; Discounts.** If A&G accepts any shipment ahead of schedule, A&G may, in its discretion, make payments therefor on the basis of the scheduled delivery date. The date for the calculation of A&G's entitlement to take a discount under any Supplier invoice will be the date that materials acceptable to A&G are delivered, or the date that an acceptable invoice is received, whichever is the later.

4.6. **Taxes.** All prices indicated in purchase orders include all applicable taxes and impositions, including but not limited to, import and export duties and other similar charges, unless specifically indicated otherwise in such purchase order. In the event A&G informs Supplier that the transaction is exempt from sales or use taxes, Supplier shall not charge A&G sales or use taxes for the transaction.

5. **Delivery.** Delivery shall be Delivered Duty Paid ("DDP") Incoterms® 2020 at A&G's designated place of delivery stated on the purchase order.

5.1. Supplier will deliver acceptable goods and services in strict conformity with any delivery schedule set forth by Contract or in any purchase order, subject to any delays as a result of any force majeure, or other circumstance or event beyond the reasonable control of Supplier. Supplier will bear the cost of any normal (except to the extent explicitly specified otherwise under the relevant purchase order) or extraordinary (in any case) shipping charges necessary to meet the delivery schedule specified by Contract or in any purchase order.

5.2. The Contract or purchase order delivery schedule and quantities are to be strictly adhered to. Supplier will not deliver any goods or render any services in advance of the schedule specified in the relevant Contract or purchase order, and will not order materials or services necessary for delivery of goods or rendering of services to A&G in advance of Supplier's normal and reasonable order requirements ("flow-time"). A&G will not accept any shipping or Mill tolerances unless stated in purchase order. Any goods delivered to A&G in advance of schedule may be returned by A&G to Supplier at Supplier's cost, and will be stored by Supplier at Supplier's cost. Any deviation from the delivery schedule and/or delivery quantities may result in the complete or partial return of the delivered product. Further, any delivery containing less than the scheduled delivery quantity may have payment withheld until the balance of the parts are delivered.

5.3. The Supplier shall provide A&G with all documentation relevant to the goods or services and all documentation supplied by the Supplier shall be complete and accurate.

INSPECTION, WARRANTY, CHANGES, ETC.

6. Inspection.

6.1. **Right to Inspect.** All goods and services ordered by A&G pursuant to any purchase order are subject to inspection before or after receipt by A&G, notwithstanding the earlier passing of title to A&G, or any prior payment by A&G, or any prior inspection of any type. A&G's inspection may, in its sole discretion, include physical, visual and/or mechanical review, as well as any documentation necessary to substantiate the meeting of quality requirements or specific requirements set forth by Contract or in the purchase order.

6.2. **Correction, Rejection.** A&G shall notify Supplier if any goods and services are, in A&G's reasonable business judgment, defective in material or workmanship or not in conformity with the drawings, specifications, samples, required documentation or other requirements of the relevant purchase order. If Supplier fails to correct the defect or non-conformity within a timeframe appropriate to support A&G manufacturing needs after such notice, A&G may, in addition to any other rights under the purchase order, Contract, these Terms and Conditions or otherwise, correct or have corrected the defect or nonconformity at Supplier's expense. Rejected goods may be returned by A&G to Supplier at Supplier's risk and expense, including without limitation all costs of unpacking, examining, repacking and reshipping, and transportation of, such goods.

6.3. **On-site Inspection.** Work performed under any A&G purchase order is subject to inspection at Supplier's plant by authorized representatives of A&G, A&G's customers or their customers, any government or regulatory entity asserting authority or jurisdiction, or, in the case of a Government contract, the Government, during normal business hours upon reasonable prior notice to conduct inspections and tests of any finished or unfinished products subject to any A&G purchase order. Supplier will make available its facilities to accommodate the safety and reasonable convenience of such representatives. Supplier will include a like provision in its subcontracts issued in conjunction with any A&G purchase order. When reasonably requested upon reasonable prior notice, representatives of Supplier will accompany A&G, its customers or their customers or the Government to Supplier's subcontractor's facilities for such inspection and testing, at no additional cost to A&G or A&G's customer.

6.4. **Right of Entry.** A&G and its customers, subcontractors and regulatory agencies shall be allowed entry and are hereby authorized to enter into the premises of the Supplier to inspect and otherwise verify the quality of work, records and material at any place, including the Supplier and Supplier's subcontractor manufacturing facilities. Supplier must coordinate any such entry with A&G's Purchasing Department.

6.5. **No Waiver.** The inspection, review or approval by A&G of any work, or of any drawing, design or other document, will not be deemed to relieve Supplier of any of its obligations under any purchase order or Contract or constitute a waiver of any defects or nonconformities. The acceptance by A&G of any goods or services under any purchase order will not be deemed to limit or affect any warranty or right of indemnity granted by Supplier under such purchase order, Contract, these Terms and Conditions or otherwise.

7. **Suspension of Work.** A&G may, at any time, by written stop-work order to Supplier, require Supplier to stop all, or any part, of the work called for by a purchase order for a period of ninety (90) days after the purchase order is delivered to Supplier, or longer in the event of a design change or if A&G receives a stop-work order from its customer, and for any further period to which the parties may agree. Upon receipt of the stop-work order, Supplier will immediately take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop-work order during the period of work stoppage. Within the indicated ninety (90) days or other longer period, A&G will either (i) cancel the stop-work order, or (ii) let such stop-work order expire, or (iii) terminate the work covered by the stop-work order either for default if A&G has given notice of such default to Supplier and Supplier has had a reasonable period of time to correct such default or in accordance with these Terms and Conditions, any Contract, and the relevant purchase order. Upon cancellation or expiration of a stop-work order, the Supplier shall immediately resume work under the affected purchase order. If a stop-work order is cancelled or allowed to expire, and the suspension effected thereby has a material effect on Supplier's costs or ability to meet the purchase order's delivery schedule, A&G will make an adjustment in the delivery schedule or purchase price (but with no increase in profit allowed), or both, and the purchase order will be modified accordingly, but only if requested by Supplier in writing within thirty (30) days after the suspension ends.

8. **Warranties.** Supplier warrants to A&G that all goods furnished to A&G will conform to applicable specifications, instructions, drawings, blueprints, data, samples and any other descriptions, will be of good material and workmanship and free from defects, including defects in design where design is Supplier's responsibility, and will be free from all liens and encumbrances, and will be new, merchantable and fit for the purpose intended. Supplier warrants to A&G that all services furnished to A&G will be supplied in accordance with applicable service levels; be supplied with reasonable care and skill; be supplied efficiently, safely and competently by suitably qualified, authorized, and experienced personnel, in conformity with any applicable industry code of practice; and be of the quality reasonably expected from a skilled and experienced operator providing equivalent services in the same circumstances; All warranties will survive inspection, test and acceptance of and payment for the relevant goods and services. This warranty shall be for a period Thirty (36) months, unless a different term is stated in prevailing Contract documents.

8.1. This warranty shall run to A&G and its successors, assigns, and customers. This warranty shall begin after A&G's final acceptance. A&G may, at its option, either (i) return for credit or refund, or (ii) require prompt correction or replacement of the defective or non-conforming goods or services. A&G may return defective goods from any A&G location to the nearest authorized Supplier location at Supplier's cost. Supplier will bear all direct and indirect costs associated with return to Supplier of defective or non-conforming goods and redelivery to A&G and its customers of corrected or replaced goods, all of which shall be at Supplier's expense. Supplier shall be liable for all costs of inspecting, assessing, gaining physical access to, and removal and reinstallation of any installed non-conforming goods or services or adjoining goods at A&G or A&G's customer. A&G may, at its discretion, invoice or debit the Supplier's account in the amount of the warranty costs incurred.

8.2. Deliveries of corrected or replaced goods or services shall be accomplished promptly and shall be accompanied by written notice specifying that such goods or services are corrected, repaired or replaced. A&G's remedies with respect to this warranty shall not be limited, restricted or disclaimed in whole or part by any other terms or conditions. A&G retains all its rights at law and in equity for Supplier's breach of warranty.

8.3. Goods or services required to be corrected or replaced shall be subject to this article and further inspection rights in the same manner and to the same extent as goods originally delivered under this contract, but only as to the corrected or replaced goods or services thereof. Even if the parties disagree about the existence of a breach of this warranty, Supplier shall, at no additional cost to A&G, promptly comply with A&G's direction to (i) repair, rework or replace the goods, (ii) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance, or (iii) undertake such additional work and/or re-provide the services as may be required in order to correct the relevant issues.

8.4. If Supplier fails, upon timely written notice, to repair, refund, credit, or replace goods or services in a timely manner, Supplier shall reimburse A&G for actual and reasonable expenses required for cover.

PROPRIETARY ITEMS, CONFIDENTIALITY, ETC.

9. **Proprietary Information.** Supplier will maintain the confidentiality of all information furnished by A&G or its affiliates as confidential and will not disclose any such information to any other person, or use such information for any purpose other than performing under the Contract or purchase order to which it relates. The preceding sentence applies, without limitation, to designs, inventions, software programs, source codes, materials, models, processes, drawings, specifications, data, reports and other technical or business information and the features of all parts, equipment, tools, gauges, patterns and processes disclosed to Supplier by A&G or any of its affiliates; and, to information supplied in electronic form, including CAD/CAM and computer aided engineering data ("Confidential Information"). Supplier will not sell any Confidential Information, and will deface or otherwise render unsuitable for use any Confidential Information of which Supplier disposes. Upon fulfillment or termination of any Contract or purchase order, and as otherwise directed by A&G, Supplier will at its own expense, subject to the specific instructions of A&G, either dispose of all Confidential Information supplied by A&G or return such Confidential Information to A&G. A&G or its representatives may at any time audit all pertinent books, records and files of Supplier in order to verify compliance with this paragraph. Supplier will, in all of its contracts with its suppliers relating to any A&G Contract or purchase order, include provisions that secure for A&G the rights and protections provided for by this paragraph. Notwithstanding the foregoing, the term "Confidential Information" shall not include any information that is: (a) in the public

domain through no fault of Supplier; or (b) independently developed by Supplier without breaching this Contract or by parties who have not had, either directly or indirectly, access to or knowledge of the Confidential Information. The foregoing obligations are in addition to and not as a replacement for any obligations under any nondisclosure agreements in place between the parties.

10. **Non-Disclosure of Transactions.** Supplier will not, and will require its suppliers and subcontractors to not, advertise or publish the fact that A&G has ordered goods or services from Supplier, or the terms or nature of such order. Supplier will not, and will require its employees and other representatives to not, disclose such information in company periodicals, press releases, public lectures, theses, sale or other promotional literature, or otherwise, unless such disclosure has been approved by A&G in writing.

11. Intellectual Property Rights

11.1. All intellectual property rights (including without limitation patents, utility models, design rights, copyrights, trademarks, rights in confidential Information including know-how, in each case whether registered or unregistered and including all applications or rights to apply for such rights) in any and all specifications, designs, drawings, notes, data, documentation, information and other intellectual property that: (i) are supplied by or on behalf of A&G to the Supplier; and/or (ii) arise from the performance of work in pursuance of a Contract or purchase order; and/or (iii) are included in the goods or services supplied by Supplier under any Contract or purchase order, shall (in the case of (i) above) remain the property of A&G and (in the case of (ii) and (iii) above) be considered as a work for hire and be deemed to be the property of A&G, and the Supplier shall promptly take all necessary steps and do all necessary acts (at Supplier's sole expense) to vest such intellectual property rights in A&G. Supplier assigns all rights, title and interest to any such design and any such copyright to A&G including all rights to registration, publication, rights to create derivative works and all other rights that are incident to ownership. In the event that any court holds such creative works not to be works for hire, Supplier agrees to assign such intellectual property rights to A&G at A&G's request in consideration of the price paid for goods or services hereunder.

11.2. Such intellectual property and intellectual property rights shall not be used by Supplier except to the extent required for the purposes of the Contract or purchase order, nor copied or communicated by Supplier to any other party, without the prior express written consent of A&G.

11.3. All such specifications, designs, drawings, notes, data, documentation, information and other intellectual property referred to above shall be returned/provided (together with all copies thereof) to A&G immediately upon request or in any event on completion or termination of the purchase order or upon termination of this Contract.

11.4. The Supplier represents and warrants that the purchase, use, sale and/or other exercise of the goods or services by A&G and/or its customers will not infringe any intellectual property right(s), including without limitation any patent, utility model, design right, copyright, trademark, right in confidential Information including know-how, in each case whether registered or unregistered, in existence or pending anywhere in the world at the date of delivery of the goods or services supplied.

11.5.1. For the use or exploitation by A&G of the intellectual property that arises from the performance of work in pursuance of a Contract or purchase order;

11.5.2. For the performance by A&G of its obligations under any purchase order or Contract; and

11.5.3. To use, distribute, sell, maintain, repair and/or exploit the goods or services.

11.6. The Supplier shall:

11.6.1. Not make any change or amendment to any A&G designs, drawings, standards, plans, specifications or similar documents or information ("A&G Designs") without A&G's prior written approval; and

11.6.2. Not reproduce any A&G Design in any form without clearly marking such reproduction as being subject to copyright or other intellectual property rights of A&G.

11.7. The foregoing obligations are in addition to and not as a replacement for any obligations under any joint development agreement(s) in place between the parties.

12. **Tools and Materials.** Title to and the right of immediate possession of all tools, dies, patterns, software, numerically controlled media and programs, manufacturing programs, replacements and materials owned by A&G or A&G's customer and used by Supplier in manufacturing goods under a purchase order ("special tooling and materials") will remain in A&G's ownership (or A&G's customer if applicable). All special tooling and materials will not be used in the production of larger quantities than those specified by A&G in a purchase order. Upon completion of any relevant purchase order, all special tooling and materials will be delivered to A&G or disposed of by Supplier as A&G shall direct. All special tooling and materials will be segregated by Supplier at Supplier's plant and clearly marked as belonging to A&G and will be used solely in the performance of work ordered by A&G, will be insured against loss by the Supplier, and will not be copied, and will be delivered by the Supplier to A&G upon demand. Supplier assumes complete liability for all special tooling and materials while in Supplier's possession. Supplier will reimburse A&G for damage to A&G's special tooling beyond normal wear and tear while in Supplier's possession. A&G reserves the right to use at any time all special tooling and materials. Supplier will be responsible to A&G for any and all consigned materials. Supplier will communicate to A&G, in such manner and such times as A&G directs, any and all instances where Supplier fails to yield prescribed requirements from A&G's material. Upon completion of specific purchase order requirements, Supplier will furnish to A&G any and all residual materials and an accounting of any and all deviations from the prescribed order requirements. At A&G's direction, Supplier will at its cost return to A&G any "off fall" material. If any item fabricated by Supplier from material furnished by A&G is defective, or any furnished material is damaged while in Supplier's possession, Supplier will reimburse A&G to the full extent of its damages.

12.1 **Material Substitution Prohibition.** Unauthorized material substitution are not permitted in the manufacturing of goods supporting this purchase contract. Unauthorized material substitution includes any deviation from the engineering definition contained on a drawing of a raw material. Seller agrees and understands that such deviations only apply to this purchase contract. Seller to contact A&G Machine's Buyer for details regarding deviations to authorized materials.

DEFAULT, TERMINATION, ETC.

13. Default.

13.1. **"Default".** Time is of the essence in the purchase order. It is a default under any Contract, purchase order and these Terms and Conditions if Supplier: (i) refuses or fails to deliver any goods or perform any services within the time specified in such Contract or purchase order, except as a result of a force majeure event ; (ii) fails to comply with any other provision of such Contract, purchase order or these Terms and Conditions; (iii) fails to make progress so as to endanger performance of such Contract, purchase order or these Terms and Conditions, or repudiates such purchase order; or (iv) suspends its business or becomes insolvent or subject to any law relating to bankruptcy, insolvency or relief from creditors, or takes any action in anticipation thereof.

13.2. **Termination for Default.** In the event of any default by Supplier under any Contract, purchase order or these Terms and Conditions, A&G may terminate such Contract or purchase order (and all related purchase orders), with no liability owed to Supplier whatsoever. In the event of any such termination for default, Supplier will be liable to A&G for any and all damages resulting from Supplier's default.

13.2.1. If A&G terminates any Contract or purchase order for default in whole or in part, it may acquire, under commercially reasonable terms, supplies or services similar to those terminated, in which case Supplier will be liable for any excess costs for those goods or services. Upon a termination in part, Supplier will continue any work not terminated.

13.2.2. If, after termination, it is determined that the Supplier was not in default, or that the default was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for A&G's convenience.

13.2.3. The rights and remedies of A&G in this paragraph are in addition to any other rights and remedies provided by law or under this contract.

13.3. **Remedies.** The rights and remedies reserved to A&G under a Contract or these Terms and Conditions shall be cumulative and additional to any other rights and remedies provided in law or equity, including without limitation the right to reclaim goods delivered if payment is not made when due.

14. Termination for Convenience.

14.1. **Commercial Contracts.** When a Contract or purchase order does not relate to a U.S. Government contract, unless otherwise agreed by the parties in writing, A&G may terminate any Contract or purchase order in whole or in part for any reason, and in accordance with the following terms:

14.1.1. A&G may terminate by delivering to Supplier a Notice of Termination specifying the extent and effective date of termination. On receipt of the Notice of Termination, the Supplier shall stop work as specified in the Notice of Termination, but shall otherwise continue performance under existing purchase orders;

14.1.2. Supplier shall furnish a final termination settlement proposal to A&G in the form and with the certification prescribed in the Notice of Termination within sixty (30) days of termination. Supplier's claim should only include, and A&G shall only be liable for, (i) unused, raw material, (ii) work in process and (iii) ordered finished goods; all of which must have been authorized in the Contract or purchase order.

14.2.3. As provided in the Notice of Termination, Supplier will transfer title and deliver to A&G: (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and (ii) the completed or partially completed plans, drawings, information and other property that, if the purchase order had been completed, would be required to be furnished to A&G. As provided in the Notice of Termination, Supplier will also assign to A&G all right, title, and interest to any intellectual property as described in Section 11 of these Terms and Conditions;

14.2.4. As provided in the Notice of Termination, Supplier will complete performance of the work not terminated;

14.2.5. As provided in the Notice of Termination, Supplier will take all actions necessary for the protection and preservation of the property related to the Contract or purchase order, as described in Sections 9 of these Terms and Conditions;

14.2.6. The Supplier shall use its best efforts to mitigate the costs arising from such termination. In no case shall the amount payable by A&G for the terminated work exceed the price which would have been payable by A&G had the work been completed;

14.3. The provisions of this Section shall not be deemed to limit or affect the rights or remedies of A&G provided elsewhere in any Contract, purchase order, these Terms and Conditions, or provided by law in the event of default or breach by the Supplier.

14.4. **A&G's Limitation of Liability.** A&G shall not be liable to Supplier for manufacture or procurement of materials in advance of the lead-time in accordance with the latest Contract or purchase order delivery schedule. If any revision of the purchase order or forecast affects a good for which Supplier was authorized to commence manufacture by prior versions of the purchase order or forecast in accordance with lead-time requirements,

A&G shall be liable for manufacture of goods within the lead-time requirements of such prior purchase order or forecasts. As a material term of this contract, Supplier agrees that any manufacture or order of materials in advance of Supplier's lead-time shall be solely at Supplier's risk and A&G assumes no liability for manufacture or procurement in advance of Supplier's lead-time. In the event of a termination or an engineering change resulting in obsolescence, no claim will be allowed for any such manufacture or procurement in advance of such lead-time unless an update to the purchase order or forecast: (i) affects a good for which Supplier was authorized to commence manufacture by the prior revision of the purchase order or forecast in accordance with lead-time requirements; (ii) Supplier notified A&G in writing of the specific good(s) affected; and, (iii) Supplier complied with the written direction of the A&G with respect to such affected good(s).

COMPLIANCE WITH LAWS, A&G SUPPLIER CODE OF CONDUCT, ETC.

15. **Compliance with Law.** Supplier represents and warrants that all of the goods and services provided by Supplier will comply, and will be manufactured and furnished by Supplier in compliance with all applicable federal, state and local laws, regulations, orders and ordinances, including the Export Regulations and including those applying to goods sold to the U.S. Government or for shipment in interstate commerce or international trade. Upon reasonable request, Supplier will provide evidence of such compliance.

16. Hazardous substances; SDS

16.1. Supplier is required to provide a Safety Data Sheet (SDS) if a product is hazardous as defined in OSHA 29 C.F.R. 1910.1200. All MSDS will be provided to the appropriate A&G site as stated in the purchase order. This provision applies to all orders for chemical products and raw stocks/substrates. Although this provision includes orders for hazardous materials and chemical substances, it is not restricted to such products and may include materials such as raw stocks, substrates, resins, and broad goods.

16.2. Supplier is required to comply with all reporting and other provisions of 15 U.S.C. 53, the Toxic Substances Control Act, and warrants that all chemical substances used in manufacturing the goods sold by Supplier hereunder have been registered on the Toxic Substances Control Act database whenever required by law.

17. **Conflict Minerals.** Supplier shall perform appropriate due diligence on its supply chain in order to assist A&G and its customers to fulfill the reporting obligations of the conflict minerals rule. Supplier shall, no later than thirty (30) days following each calendar year in which Supplier has delivered any Products to A&G, under this Agreement or otherwise, complete and provide to A&G a single and comprehensive report consistent with industry practice. If Supplier is a registrant with the Securities and Exchange Commission (SEC), Supplier shall comply with all the reporting requirements regarding conflict minerals as defined by the SEC at 17 C.F.R. Parts 240 and 249b, (Dodd-Frank Act Section 1502).

CONTRACT INTERPRETATION, GOVERNING LAW, ETC.

18. **Force Majeure.** Deliveries or acceptance will be subject to extension of time made necessary by reason of delays or disabilities directly affecting Supplier or A&G, occasioned by fires, floods or other catastrophes, wars, riots or embargo delays, government allocations or priorities, unforeseeable government restrictions or controls, or unusually severe weather conditions, to the extent such delays and disabilities are beyond their reasonable control in spite of prudent precautions. Performance may be delayed only to the extent reasonably caused by such event, and upon prompt written notice of the event. If such delay continues for more than thirty (30) days, A&G may terminate in accordance with Sections 13.

19. Obligation to Notify A&G.

19.1. Supplier shall notify A&G immediately upon it, or any of its representatives, becoming aware of any fact, matter or circumstance which may adversely affect:

19.1.1. The Supplier's ability to perform any of its contractual obligations, including any strikes, lockouts or other industrial action, or any shortage of materials affecting it, its sub-contractors or sub-suppliers; or

19.2. Such notice will include all relevant information with respect to such circumstance or dispute. Neither receipt of such notice by A&G nor any provision of these Terms and Conditions will be deemed to be a waiver by A&G of any of its rights under any purchase order, Contract, these Terms and Conditions, at law or otherwise, except as otherwise provided in writing by the parties.

20. Assignment and Subcontracting.

20.1. Neither a Contract, purchase order, nor any interest in a Contract or purchase order may be assigned, in whole or in part, by the Supplier without prior written approval by A&G. A change of control of the Supplier shall be considered an assignment requiring prior written approval. Any such attempted assignment without consent shall be void and shall have no effect.

20.2. Neither the entirety, nor any part of any work under any Contract or purchase order may be further subcontracted by the Supplier without the prior written approval by A&G, with the exception of standard hardware, customer-approved processors and customer-approved raw material. Supplier is required to flow down any and all pertinent portions of any Contract to any subcontractors performing to the requirements of any Contract.

21. **Waiver and Severability.** The failure or delay of either party to insist on performance of any provision of a Contract, these Terms and Conditions or any purchase order, or to exercise any right or remedy available under a Contract, these Terms and Conditions or any purchase order, will not be construed as a waiver of that provision, right, or remedy in any later instance. Further, if any provision of a Contract, these Terms and Conditions or any purchase order is, or becomes void or unenforceable by operation of law, the remaining provisions shall be valid and enforceable.

22. **Continued Performance During Disputes.** Pending final resolution of any dispute arising under or relating to a Contract or purchase order, the parties will proceed with performance of the Contract or purchase order, and Supplier's performance will be in accordance with A&G's written instructions, notwithstanding any rights to suspend or stop performance which might otherwise apply.

23. **Choice of Law.** These terms and conditions and any Contract or purchase order, and all matters arising out of or relating to these terms and conditions and any Contract or purchase order, shall be governed exclusively by the laws of the State of Washington, without giving effect to the conflict of laws provisions thereof. The foregoing sentence shall be subject to the following exceptions:

24. **Integration and Merger.** These Terms and Conditions together with any Contract, any nondisclosure agreement executed by the parties, and any purchase orders issued to Supplier, including attachments and documents incorporated by reference (e.g., project specifications and project drawings), constitute the entire agreement between A&G and Supplier, and supersede all prior representations, agreements, understandings, and communications between A&G and Supplier. No amendment or modification of this contract or a purchase order will be binding upon either party unless it is set forth in a written instrument signed by authorized representatives of both A&G and Supplier. The rights and remedies afforded to either party pursuant to any part or provision of these Terms and Conditions, any Contract, or any A&G purchase order are in addition to any other rights and remedies afforded by any other parts or provisions of these Terms and Conditions, any Contract, purchase order, by law, or otherwise.

APPENDIX "A" - Quality Assurance Supplemental Requirements

QUALITY ASSURANCE SUPPLEMENTAL REQUIREMENTS FOR SUPPLIERS

25. All documentation required by these stipulations, as noted below, must accompany the article in order for acceptance. An electronic copy of the documentation is acceptable on or before the delivery date.

26. A Certification of Conformance must accompany items. An authorized representative of the Seller's company must sign the Certificate. It must state that the articles meet the drawings/specifications and/or the requirements stated on the A&G Machine Purchase Order. Traceability information, if required, representative of each item - to include the lot trace (e.g., date, batch, heat) or the individual item trace (e.g., serial number).

27. The Seller must maintain all quality records pertaining to this transaction for a period of not less than eleven years from the date of shipment (current calendar year plus 10 years).

28. All required terms and conditions contained in these stipulations, as applied, must be extended to any subcontractors of suppliers to the Seller.

29. Notification of Organizational Changes – Per Boeing D6-82479; Clause 3.2: “The Seller must immediately notify the A&G Machine Procurement Agent that supports your facility, in writing (within 24 hours), of any changes that may affect the capability of the Quality Management System (QMS) to continue to fulfill A&G requirements or the requirements of the QMS standard. This includes all changes that may impact product quality or delivery schedule, including changes referenced within ISO/IEC 17021- 1:2015 clause 8.5.3.” These changes may include:

- The legal, commercial, organizational status or ownership;
- Organization and management (e.g. key managerial, decision-making or technical staff)
- Contact address and sites (include manufacturing location);
- Scope of operations under the certified management system;
- Major changes to the management system and processes.
- Changes affecting products or services on A&G Machine Inc. PO's.

30. Any non-conformances that escapes the supplier's quality system requires notification of A&G Machine, Inc. Quality Manager and Purchasing Manager. This notification shall be completed within 24 hours of the seller becoming aware of the escape, and shall include: part number; lot information; date(s) shipped; quantity; details of discrepancy, root cause, and corrective actions.

31. Items must be accompanied by Test Reports or Test Data Records, which contain the chemical and/or physical test data, which was taken on the material or services. Reports shall, as a minimum, indicate the type of test performed, the results of the test, and the number and nature of any discrepancies found. This Report must be signed by an authorized representative of the company.
32. Raw Material Test Reports (on metals, castings, plastics, etc.) are required which cover the chemical/physical and measurement analysis necessary to assure that the materials supplied comply with the Purchase Order requirements
33. Nondestructive Inspection Certs (e.g., magnetic particle, Fluorescent penetrant, radiographic, ultrasonic, etc.) are required which indicate inspection results and compliance to the specifications contained in the Purchase Order.
34. Special Process Certifications (plating, painting, heat treating, etc.) are required which certify that processes were conducted in conformance with the Purchase Order and referenced data. Special process suppliers are required to be NADCAP accredited unless approved in writing by A&G Machine Quality. Special process suppliers shall be selected only from customer approved providers when required.
35. Supplier shall not ship an article that is not manufactured to the latest engineering revision level, unless otherwise authorized by the A&G Machine, Inc. purchase order.
36. Suppliers of any and all related product, processes, and/or manufacturing for A&G Machine Inc., are required to ensure they are utilizing the latest revisions to the design dossier and/or specifications, unless otherwise specified within the purchase order. This includes incorporation of any applicable engineering change notices or process spec deviations.
37. Supplier shall notify A&G Machine Purchasing department when engineering data in supplier's possession does not agree with the latest Revision level.
38. Shelf life limited items must bear the date of manufacture and the anticipated shelf life or the expiration date. As a minimum, 75% of the shelf life of an item must be unused upon receipt unless otherwise approved by A&G Machine.
39. When material for this order is to be supplied to the seller by A&G Machine, material shall be controlled so that only the material supplied to the seller is used on this order.
40. First Article Inspection (FAI) per AS9102 is required for all assemblies, sub-assemblies, and detail parts including castings, forgings, and modifications to standard off-the-shelf items. FAI is required on articles that are being manufactured for the first time by this supplier, whenever a design change affects characteristics of the part, or whenever there is a change to the manufacturing process (sequence, location, program, tooling, or program) that could potentially affect fit, form, or function of the part. An FAI is also required if supplier has not manufactured the article within 2 years, or if otherwise required by the A&G Machine, Inc. purchase order. Detailed inspection results using current AS9102 form templates are required.
41. No changes to engineering requirements, drawings, or specifications are permitted without written contractual approval.
42. The supplier shall provide right of access to their facility and the facilities of all members of their supply chain, for review, verification, and analysis of their quality management system, quality control, inspection system, and maintenance process. In addition to our right of access, the Supplier agrees to grant right of access to our customers and / or regulatory bodies, to all facilities and records applicable to completion of the contracted items.
43. Any and all work performed to an A&G purchase order, must be done at the supplier assigned to within the purchase order. Outsourcing (work transfer) of A&G related product, processing, and/or manufacturing, is strictly prohibited without A&G's written authorized consent via the purchase order.
44. Any supplier performing work with an ITAR requirement must be able to provide evidence of compliance to the U.S. Department of State regulation.
Any A&G PO may contain, and/or reference documents containing information subject to the International Traffic in Arms Regulations (ITAR) or the Export Administration Regulations (EAR). Supplier shall maintain registration with the Directorate of Defense Trade Controls (DDTC) and shall not export, release, or disclose this information without first complying with the export license requirements of the applicable regulation
45. In addition to A&G requirements and PO's, review customer-specific supplier quality clauses, and meet customer flow down requirements.
- Boeing – [http://www.boeing.com/suppliers/quality.html/](http://www.boeing.com/suppliers/quality.html)
 - Gulfstream – <https://www.gulfstream.com/en/resource/suppliers/>
 - Kodiak Aircraft Co. – [https://kodiak.aero/wp-content/uploads/2021/03/Kodiak-Purchase-Terms-Conditions-Final-V.25-02-26-21.pdf/](https://kodiak.aero/wp-content/uploads/2021/03/Kodiak-Purchase-Terms-Conditions-Final-V.25-02-26-21.pdf)
 - Lockheed Martin – <https://www.lockheedmartin.com/en-us/suppliers/documentation/2025standc.html>
 - Marvin Engineering – <https://marvingroup.com/suppliers/>
 - Nordam – <https://www.nordam.com/suppliers/>
 - Spirit AeroSystems – <https://www.spirit.aero.com/suppliers/supplier-criteria/>
 - Triumph Group, Inc. – <https://www.triumphsupplysource.com/suppliers/index.php/>
 - Janicki – <https://www.janicki.com/terms-conditions/>

46. Seller is required to purchase from conflict-free mineral and conflict-free smelter sources.
47. The supplier shall have a procedural plan to prevent Foreign Object Damage or Debris (FOD) within all parts or assemblies shipped to A&G Machine, Inc. Note – AS9146 may be used as a guideline for establishing a FOD prevention procedure.
48. Supplier shall evaluate the need for action for non-conformances. Root Cause Corrective Actions shall be performed to meet the requirement of the ANAB template provided by A&G when Supplier creates non-conformances.
49. Seller is required to ensure that employees are aware of:
- Their contribution to product or service conformity;
 - Their contribution to product safety;
 - The importance of ethical behavior.
50. If the supplier utilizes Acceptance Authority Media (stamps, electronic signatures, etc) the supplier shall establish controls for the media in accordance with AS9100 and any customer- specific quality requirements.
51. Prevention of Counterfeit Parts: The organization shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to the A&G Machine.
52. Control of “Boeing PC7000 Use Only” Items-PC700 Usage Identification: If procurement activates support Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 quality system supplier control program. Unless explicit contractual direction is given to the contrary, no articles (or constituent parts thereof) ordered on Boeing’s behalf shall contain any Federal Aviation Administration- Parts Manufacturer Approval (FAA-PMA) markings and the accompanying paperwork (e.g., packages, shippers, etc.) shall not contain any FAA-PMA markings.
53. Seller shall place the following statement on the shipping documentation of all shipments to A&G Machine on behalf of Boeing Commercial Airplane (BCA):

"Seller hereby acknowledges that the parts and/or materials being shipped under this order are intended for use under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 and no articles (or constituent parts thereof) or the accompanying paperwork (e.g., packages, shippers, etc.) contain any Federal Aviation Administration-Parts Manufacturer Approval (FAA-PMA) markings."

- Application Note for Seller: The preferred location for the above statement is on the shipping document next to, or following the Certificate of Conformance (CoC). The statement may be printed, stamped, or attached as a label or sticker to the shipping documentation. It is allowable to replace "Seller" with the Company Name or “We”.
 - A&G Machine/Boeing requires that the provisions/requirements set forth above, as determined by the Seller to be applicable, be included in Seller's direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain. For purposes of this clause, Supply Chain shall mean Seller's complete network of material, equipment, information, and services integrated into products and services. It focuses on direct and all lower-tier suppliers.
54. For Calibration Services: The supplier shall maintain a Quality Management system in accordance with, and certified to, ISO-17025 “Testing & Calibration Laboratories”, unless otherwise authorized by A&G’s Quality Manager prior to the activity being performed. All measurement & test equipment (M&TE) calibration, verification (or both) activities must be performed using measurement standards traceable to international or national measurement standards. The certification document(s) for each item in which service was performed must include at a minimum:
- Purchase order number provided by A&G
 - The equipment’s unique ID assigned by A&G
 - Item description
 - Date of service activity
 - Condition of the item “as found” (or equivalent terminology)
 - Condition of the item “as returned” (or equivalent terminology)
 - Traceability to national or international standards used
55. Control of “Boeing Digital Product Definition (DPD)/ Model Based Definition (MBD) Data”:
- A&G Machine/Boeing requires Supplier control of Boeing authority datasets or dataset derivatives used for manufacturing or product acceptance, Supplier shall follow Boeing’s document D6-51991 “Quality Assurance Standard for Digital Product Definition” or equivalent documents. The D6-51991 document outlines uniform specifications for Supplier control of digital product definition and software. A copy of the D6-51991 document can be obtained at the following URL <https://www.boeingsuppliers.com/quality.html#/digital> under Digital Product Definition and/or the equivalent documents are available through A&G Machine’s Authorized Buyer or Quality Assurance Representative. A&G Machine and Boeing reserves the right to survey and/or review the supplier’s QMS to verify effectiveness of the supplier’s DPD processes and procedures. Seller shall comply with all applicable export laws.

56. Controlled Unclassified Information: "Controlled Unclassified Information" (CUI) means any Information that is collected, processed, maintained, used, shared, or disseminated in connection with this contract that requires protection to ensure its confidentiality, integrity and availability including, but not limited to, any A&G Machine Information and third party proprietary Information (identified as such), Personal Information, Federal Contract Information, and Covered Defense Information.

Supplier shall apply reasonable and appropriate administrative, technical, physical, organizational, and operational safeguards and operations to protect Controlled Unclassified Information against accidental and unlawful destruction, alteration, and unauthorized or improper disclosure or access regardless of whether such Controlled Unclassified Information is on Supplier's internal systems or a cloud environment.

Supplier must be in compliance with DFARS 252.204-7012, and Controlled Unclassified Information (CUI) defined in the National Archives and Records Administration (NARA) Registry, available at <https://www.archives.gov/cui/registry/category-list>. DFARS 252.204-7012