IPS ASSEMBLY CORP.

QMS-SOP-032

Purchase Order Terms and Conditions

External Provider (Supplier) Requirements — IPS Assembly as Buyer

Field	Detail	Field	Detail
Document ID	QMS-SOP-032	Revision	03
Effective Date	11 August 2026	Supersedes	Rev 02 (01 March 2017)
Prepared By	Quality Management Representative	Approved By	President
Issued By	Quality Management Representative	Review Cycle	Annual, or upon standard change
Applies To	All external providers of product, material, process and service	Classification	Controlled — Public (website published)

SCOPE NOTICE — READ FIRST. This document governs IPS Assembly Corp. acting as **BUYER** — that is, terms IPS Assembly imposes on its suppliers and external providers when IPS Assembly issues a purchase order. It does ***not*** govern IPS Assembly acting as Seller. Terms applicable to IPS Assembly's acceptance of a customer purchase order are set out in a separate controlled document, **QMS-SOP-035, Terms and Conditions of Manufacture and Sale**. The two documents are legally adverse to one another and shall not be substituted, combined, or cross-issued.

PART A — PROCEDURE

1.0 Purpose

1.1 This procedure defines the process by which IPS Assembly Corp. establishes, approves, controls, publishes, and communicates the Purchase Order Terms and Conditions applicable to all external providers.

1.2 It satisfies the requirement to communicate applicable requirements to external providers and to ensure that purchased products, processes and services conform to applicable statutory and regulatory requirements.

2.0 Scope

2.1 This procedure and the Terms and Conditions in Part B apply to every purchase order issued by IPS Assembly Corp. for products, materials, components, processes and services, including purchases in support of automotive (IATF 16949:2016), aerospace and defense (AS9100D, ITAR, MIL specifications), electronic assembly (IPC/J-STD), and civil aviation (14 CFR Parts 43, 120 and 145) programs.

2.2 This procedure does not apply to IPS Assembly Corp. acting as Seller. See the Scope Notice on page 1 and QMS-SOP-035, Terms and Conditions of Manufacture and Sale.

3.0 Reference Standards and Documents

Reference	Requirement / Title
ISO 9001:2015	8.4 Control of externally provided processes, products and services; 8.4.3 Information for external providers
IATF 16949:2016	8.4.1.2 Supplier selection process; 8.4.2.2 Statutory and regulatory requirements; 8.4.2.3 Supplier quality management system development; 8.4.2.4 Supplier monitoring; 8.4.2.5 Supplier development; 7.5.3.2.1 Record retention
AS9100D	8.4.3 Information for external providers; counterfeit part prevention; right of access
ITAR / EAR	22 CFR 120–130; 15 CFR 730–774
14 CFR	Parts 43, 120, 145 (civil aviation product and maintenance requirements)
QMS-SOP-002	Control of Documented Information
QMS-SOP-039	Procedure for Counterfeit Parts Control
QMS-SOP-035	Terms and Conditions of Manufacture and Sale (IPS Assembly as Seller)

4.0 Responsibility and Authority

Role	Responsibility
Quality Management Representative (QMR)	Owns this procedure. Reviews Part B at least annually and upon any change to an applicable standard, statute or regulation. Controls revisions per QMS-SOP-002. Verifies the website publication per 5.0.
President	Approves this procedure and authorizes its publication to the IPS Assembly website.
Purchasing	Ensures every issued purchase order carries the reference footnote in 6.0. Obtains supplier acknowledgement where required. Escalates supplier objections to the QMR.
Quality / Receiving Inspection	Verifies receipt of a compliant Certificate of Conformity per Part B Section 26 on every shipment and records nonconformance where absent or deficient.
Sales / Estimating	Ensures the customer-facing quotation carries the QMS-SOP-035 reference in 7.0 — not this document.

5.0 Publication, Accessibility and Version Control

5.1 This document shall be published in full, in its current approved revision, as a PDF reachable from the IPS Assembly Corp. Terms and Conditions page at https://www.ipsassembly.com/terms-conditions/, and shall be freely accessible to external providers without login, registration or request.

5.2 The Terms and Conditions page shall display, adjacent to the link, the document identifier, revision number and effective date ("QMS-SOP-032 Rev 03, effective 28 August 2026"), so that the reference printed on a purchase order can be matched to the published document without opening it.

5.3 Within five (5) business days of approval of any revision, the QMR shall: upload the revised PDF; repoint the link on the Terms and Conditions page; purge the website cache; confirm in a private browser session that the document served matches the controlled master; and retain dated evidence of that verification as a quality record. Uploading the revised PDF without repointing the link, or without purging the cache, leaves the prior revision in service and shall be treated as a document control nonconformance.

5.4 Superseded revisions shall be moved to a clearly labelled "Superseded Revisions" list on the same page and shall not be presented as current. Because a superseded revision remains applicable to purchase orders issued while it was in effect, superseded revisions shall remain retrievable and shall not be deleted. Controlled archive copies are retained per QMS-SOP-002.

5.5 On written request, and where an external provider does not have internet access, Purchasing shall furnish a PDF copy of the current revision with the purchase order.

6.0 Purchase Order Reference Footnote (Buyer → Supplier)

6.1 Every purchase order issued by IPS Assembly Corp. to an external provider shall bear the following footnote on the face of the order, in legible type:

> *This Purchase Order is governed exclusively by the IPS Assembly Corp. Purchase Order Terms and Conditions, QMS-SOP-032 Rev 03, published at www.ipsassembly.com/terms-conditions/ and incorporated herein by reference. Acknowledgement of this order, commencement of work, or shipment of any Product constitutes acceptance of those Terms and Conditions in full. Any additional or different terms proposed by Seller are expressly rejected. A Certificate of Conformity (C of C) meeting Section 26 is required with every order and every shipment; product received without a compliant C of C is subject to rejection at Seller's expense.*

6.2 Where the ERP purchase order template is used, the footnote shall be configured as a standing template field so that it cannot be omitted by the buyer at order entry.

6.3 The revision number embedded in the footnote is a controlled element of this procedure. Any revision of this document requires a corresponding update to the purchase order template within five (5) business days, verified by the QMR.

6.4 The same reference shall be applied to requests for quotation, supplier scheduling agreements, blanket orders, releases against blanket orders, and repair or service orders.

7.0 Customer-Facing Quotations — Cross-Reference

7.1 Quotations issued by IPS Assembly Corp. to a customer shall NOT reference this document. A quotation is IPS Assembly's offer to sell, and referencing the Buyer-side terms on a quotation would bind IPS Assembly to obligations drafted against it.

7.2 Customer-facing quotations shall instead carry the reference term prescribed by QMS-SOP-035, Terms and Conditions of Manufacture and Sale.

7.3 Sales and Estimating are responsible for 7.1 and 7.2; Purchasing is responsible for 6.0. The two shall not be interchanged.

8.0 Supplier Acknowledgement and Records

8.1 For new external providers, and for existing providers at the point of any material revision to Part B, Purchasing shall obtain a written acknowledgement of the current revision as part of the supplier approval and onboarding record.

8.2 Acknowledgements, website publication verifications, and supplier objections and their disposition shall be retained per QMS-SOP-002 and Part B Section 28.5.

9.0 Change Record

Rev	Date	Responsible	Description of Change
2	01 Mar 2017	Q.C. Manager	Initial release of Purchase Order Terms and Conditions (Sections 1–25). Recorded as issued; historical entry retained unaltered.
3	28 August 2026	QMR	Retitled to identify Buyer-side scope. Added Part A procedure (Purpose, Scope, References, Responsibility, Publication Control, PO Footnote, Quotation cross-reference, Acknowledgement). Website publication changed from permissive ("may be posted") to mandatory ("shall be published") with verification requirement. Added Part B Section 26 Certificate of Conformity (required with every order and every shipment). Added Section 27 Statutory and Regulatory Requirements per IATF 16949 8.4.2.2. Added Section 28 Supplier Quality Management System Development per IATF 16949 8.4.2.3. Added Section 29 Flow-Down to Sub-Tier Suppliers. Added Section 30 Order of Precedence. Corrected obsolete "AS9000 series" reference to AS9100D / AS9120B. Corrected preamble cross-reference from "sections 1 to 24" to "Sections 1 through 30". Added Scope Notice distinguishing this document from QMS-SOP-035 Terms and Conditions of Manufacture and Sale.

Rev	Date	Responsible	Description of Change
			Publication model set to a single Terms and Conditions page at /terms-conditions/ linking directly to the controlled PDF; superseded revisions retained on the same page rather than removed.

10.0 Approval

Name / Title	Signature	Date
Ishvar Sutariya President / Quality Management Representative		08/11/2026

PART B — PURCHASE ORDER TERMS AND CONDITIONS

IPS Assembly Corp. (United States) — Revision 03, effective 28 August 2026

IPS Assembly Corp., its operating divisions and subsidiaries, are each herein referred to individually and collectively as the "Buyer", and the person or entity selling goods or services (collectively the "Products") to Buyer is referred to as the "Seller". These terms and conditions (hereinafter the "Terms and Conditions"), any price list or schedule, quotation, acknowledgment or invoice from Buyer relevant to the sale of the Products, and all documents incorporated by specific reference herein or therein, constitute the complete and exclusive statement of the terms of the agreement governing the sale of Products by Seller to Buyer (the "Purchase Order"). Seller's delivery of the Products will manifest Seller's assent to these Terms and Conditions. Seller's commencement of work on the Products subject to this Purchase Order or shipment of any such Products, whichever occurs first, shall be deemed acceptance of this Purchase Order and these Terms and Conditions. Any acceptance of this Purchase Order is limited to acceptance of the express Terms and Conditions contained on this and the following pages. Any terms or conditions stated in Seller's order acknowledgment, quotation, invoice or other order documentation are expressly rejected unless agreed to in writing by Buyer. The interaction of Seller as external provider to Buyer is further described in Sections 1 through 30 below.

1. **Prices.** Unless otherwise specified in writing by Buyer, the price quoted or specified by Seller for the Products shall remain in effect for ninety (90) days after the date of the Seller's quotation or acknowledgment of Buyer's order for the Products, whichever occurs first. Seller warrants that the prices for the Products sold to Buyer hereunder are not less favorable than those currently extended to any other customer of Seller for the same or similar articles in similar quantities. In the event Seller reduces its price for such articles during the term of this Purchase Order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this Purchase Order shall be complete, and no additional charges of any type shall be added without Buyer's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, customs duties, tariffs, taxes, storage, insurance, boxing, and crating. In the event that no price is stated in the order, the price shall be deemed to be the price last supplied to and acknowledged by Buyer or the current market price, whichever is lower. All prices shall be in U.S. dollars.

2. **Payment; Taxes and Duties.** All payments shall be conditioned upon Products being supplied in all respects in accordance with the Purchase Order and upon supply to the Buyer of a proper invoice from the Seller. Such invoice shall correctly specify the Purchase Order number, order date, a description of the Products supplied, the date of supply, and the sum due, and shall be properly addressed and referenced. Unless otherwise stated, terms of payment shall be net thirty (30) days from date of invoice. Seller shall be solely responsible for filing all appropriate tax forms and paying all applicable tax, duty, export preparation charges and export documentation charges resulting from the purchase of the Products under this Purchase Order.

3. **Delivery; Title and Risk of Loss; Shipment.** Time is of the essence in delivering Products under these Terms and Conditions. If delivery of Products (including rendering of services) is not completed by the time promised, Buyer reserves the right without liability, in addition to its other rights and remedies, to terminate this Purchase Order by notice effective when received by Seller as to Products not yet shipped (or services not yet rendered), and to purchase substitute items or services elsewhere and charge Seller for any loss incurred. Buyer shall not be obligated to accept early, late, partial or excess deliveries. Unless otherwise specified in writing, title and risk of loss of all Products covered by this order shall pass to the Buyer upon receipt at Buyer's facility identified on the face of this Purchase Order. If in order to comply with Buyer's required delivery date it becomes necessary for Seller to ship by a more expensive means than specified in this Purchase Order, any increased transportation costs resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited shipping or handling has been caused solely by Buyer.

4. **Inspection, Testing and Right of Access.** Payment for the Products delivered hereunder shall not constitute acceptance thereof. Buyer shall have the right to inspect such Products and to reject any or all of said Products which are in Buyer's good faith judgment defective or nonconforming. Products rejected and Products supplied in excess of quantities called for herein may be returned to Seller at Seller's expense and, in addition to Buyer's other rights, Buyer may charge Seller all expenses of unpacking, examining, repacking and reshipping such Products. In the event Buyer receives Products whose defects or nonconformity are not apparent on visual examination, Buyer reserves the right to require replacement, as well as payment of damages. Nothing contained in this Purchase Order shall relieve in any way the Seller from the obligation of testing, inspection and quality control. The Buyer reserves the right to verify the conformance of materials or services to specified requirements at the site of the Seller, or its supplier or

subcontractor. This can be accomplished by the Buyer, its customer or representative. This verification may be performed by U.S. Government regulatory bodies or agencies which have oversight responsibilities of the Buyer. Non-conformities found prior to or after shipment or delivery of Products (including performance of any service) shall be reported to Buyer's Purchasing Department no later than the end of the next normal business day. The Seller must notify the Buyer when any non-conforming Products or changes to any Products (or process used to make or deliver such Products) are detected, and obtain prior written approval from the Buyer before delivery. All records generated, created and obtained in performance of this Purchase Order shall be maintained for a minimum of ten (10) years, or as required by 14 CFR 145.223(b) for products being produced or supplied for civil aviation use, or for the period required by Section 28.5, whichever is longer. Should a product intended for civil aviation use fall under the scope of the Purchase Order, it shall be indicated on the Purchase Order through a Quality Clause. Verification activity by Buyer does not relieve Seller of the obligation to furnish a Certificate of Conformity under Section 26, and does not constitute evidence of effective control of quality by Seller.

Buyer reserves the right to evaluate Seller's performance on a continuous basis. Seller shall have a process for managing the variation of key characteristics (KCs) in place. It may include establishing statistical KC capability control methods and statistical techniques for product acceptance, in order to control the variation of key characteristics. For special items or critical items, Buyer may request Seller to adhere to international quality management system standard requirements, such as ISO 9001, IATF 16949, AS9100D or other standards, in terms of having established appropriate quality management systems actually in place. See also Section 28.

Seller shall designate personnel with responsibility and authority to ensure that Buyer requirements are addressed. Seller ensures that only competent staff are allowed to undertake work on Buyer's purchase order items. Seller shall maintain key staff competencies under controlled conditions. This includes selection of appropriate product design and development, as well as having appropriate internal auditor training in place. A competency control system shall be in place at the Seller, inclusive of training on staff contribution to product or service conformity, contribution to product safety, and the importance of ethical behavior, to ensure that the quality of the product and service provided by Seller adheres to form, fit and function. For critical safety related items, Buyer requests Seller to adhere to IATF 16949 standard requirements. For any work that involves a health and safety risk, individual competence management is essential.

AT THE TIME OF THE PLACED PURCHASE ORDER, SELLER IS REQUIRED TO CHECK ON STOCK AND INFORM IPS ASSEMBLY ABOUT THE CIRCUMSTANCES BEFORE ACCEPTANCE OF THE ORDER.

5. **Termination for Convenience.** Buyer reserves the right to terminate this order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder, and shall immediately cause Seller's suppliers and subcontractors to cease such work. Buyer will reimburse Seller for reasonable expenses (which shall not include indirect costs or lost profits) resulting directly from any such termination for convenience. Seller shall not be paid for any work done after receipt of the notice of termination, or for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided. Seller shall not unreasonably anticipate the requirements of this Purchase Order.

6. **Termination for Cause.** Buyer may also terminate this Purchase Order or any part hereof for cause in the event of any default by the Seller, any late deliveries, deliveries of Products which are defective or which do not conform to this Purchase Order, failure to furnish a compliant Certificate of Conformity under Section 26, or in the event that Seller fails to comply with any of the Terms and Conditions of this Purchase Order or fails to provide Buyer, upon request, with adequate assurance of future performance. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the circumstances which gave rise to the termination for cause. If it should be determined that Buyer has improperly terminated this Purchase Order for cause, such termination shall be deemed a termination for convenience.

7. **Warranty.** Seller expressly warrants that all Products furnished under this Purchase Order shall conform in every respect to any specifications, drawings, samples or descriptions provided by Buyer or upon which this order is based, and shall be of the highest quality and free from defects in material or workmanship. Seller warrants that all such Products will conform to any statements made on any containers or labels or advertisements for such Products, and that any Products will be adequately contained, packaged, marked, and labeled. Seller warrants that the Products shall conform to any and all applicable technical and safety provisions and comply in all respects with any and all applicable industry, federal, state and local laws, regulations, directives and standards including, but not limited to, those concerning safety, labor, health, environmental and fire. Seller further warrants that all Products furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which Products of that kind are normally

used. If Seller knows or has reason to know the particular purpose for which Buyer intends to use the Products, Seller warrants that such Products will be fit for such particular purpose. Seller warrants that Products furnished will conform in all respects to samples. Inspection, testing, acceptance or use of the Products furnished hereunder shall not affect the Seller's obligation under this warranty, and such warranty shall survive inspection, testing, acceptance and use. Seller's warranty shall run to Buyer, its successors, assigns and customers, and users of Products sold by Buyer. Seller agrees to replace or correct defects of any Products not conforming to the foregoing warranty promptly, without expense to Buyer, when notified of such nonconformity by Buyer, provided Buyer elects to provide Seller with the opportunity to do so. In the event of failure of Seller to correct defects and/or replace nonconforming Products promptly, Buyer, after reasonable notice to Seller, may make such corrections or replace such Products and charge Seller for the cost incurred by Buyer in doing so.

Seller must ensure before product release to Buyer that their internal processes address the use of authorized manufacturers and/or designated sources (e.g., Qualified Product List), and they must ensure retained documented information is validated prior to the release of products and that the documented information includes traceability to the designated source. See also Sections 26 and 29.

8. **Patents and Copyrights.** Seller warrants that the Products sold do not infringe on any valid U.S. patent or copyright in existence as of the date of shipment. In the event such Products are held to infringe such a U.S. patent or copyright in such suit, and the use of such Products is enjoined, or in the case of a compromise or settlement by Seller, Seller shall, at Buyer's option, procure for Buyer the right to continue using such Products, or replace them with non-infringing Products, or modify same to become non-infringing, or grant Buyer a credit for the depreciated value of such Products and accept return of them.

9. **Force Majeure.** Without liability to Seller, Buyer may delay delivery or acceptance of this Purchase Order, or cancel this order completely, as a result of circumstances beyond Buyer's control which make performance commercially impractical including, but not limited to, acts of God, fire, unusually severe weather, flood, acts of war, government action or regulations, embargoes, sanctions, tariffs, customs issues, accident, epidemic or pandemic, cyber incident, labor difficulties or shortage, or inability to obtain materials, equipment or transportation. In the event of a delay, Seller shall hold Products subject to such delay at the direction of the Buyer and shall deliver them when the causes affecting the delay have been removed.

10. **Changes.** Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and this Purchase Order shall be modified in writing accordingly. Seller shall notify Buyer of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain the Buyer's approval, in regard to Buyer's purchase orders, which affect the flow-down to external providers of applicable requirements including customer requirements. Seller agrees to accept any such changes subject to this paragraph. Notification under this Section shall be given not less than ninety (90) days in advance of the proposed change, or immediately upon Seller becoming aware where ninety (90) days' notice is not possible.

11. **Confidentiality; Advertising.** Seller shall consider all information furnished by Buyer (hereinafter referred to as "Information") to be confidential and shall not disclose any such Information to any other person, or use such Information itself for any purpose other than performing this Purchase Order, unless Seller obtains written permission from Buyer to do so. Information shall include without limitation any customer, prospect and price lists, plans, photographs, designs, component designs, drawings, blueprints, specifications, inventions, technical data, trade secrets, and any other materials relating to this order or to the business of Buyer. All Buyer Information is and shall remain the property of Buyer. Upon Buyer's written request or the termination of this Purchase Order, Seller shall return to Buyer all Buyer Information. In no event will Seller use less than the degree of care and means that it uses to protect its own confidential information of like kind, but in any event not less than reasonable care, to prevent the unauthorized disclosure or use of Buyer's Information. The Seller will not, without the prior written consent of the Buyer, advertise, publicly announce or provide to any other person information relating to the existence or details of this Purchase Order, or use the Buyer's name in any format for any promotion, publicity, marketing or advertising purpose. Unless otherwise agreed in writing, no commercial, financial, or technical information disclosed in any manner or at any time by Seller to Buyer shall be deemed secret or confidential, and Seller shall have no rights against Buyer with respect thereto except such rights as may exist under patent laws.

12. **Buyer Property.** All equipment, jigs, tools, drawings, fixtures, dies, molds, patterns, materials and other such items supplied to the Seller by or at the expense of the Buyer shall remain the Buyer's property (hereinafter "Buyer's

Property"). Seller will maintain such items in good working order. The Seller shall ensure that the above items are clearly marked and stored as being the legal property of the Buyer, and that they are not used for contracts for any third party. While such items are in the possession of the Seller, the Seller shall make provision to adequately insure, against all normal risks, all such items that are the property of the Buyer, and Buyer shall be named as an additional insured.

13. **Ownership of Work Product.** All materials, and any inventions (whether or not patentable), works of authorship, trade secrets, ideas, concepts, trade names and trade or service marks created or prepared for Buyer (collectively "Inventions"), shall belong exclusively to Buyer. Standard Products manufactured by Seller and sold to Buyer without having been designed, customized, or modified for Buyer do not constitute Inventions. Furthermore, any works conceived or reduced to practice by Seller which were developed entirely on Seller's own time without using Buyer's Property, Buyer's facilities, or Buyer's Information do not constitute Inventions. Seller hereby assigns the worldwide right, title and interest in and to the Inventions to Buyer. Buyer shall have the right, at Buyer's option and expense, to seek protection by obtaining patents, copyright registrations, and filings related to proprietary or intellectual property rights. Seller agrees to execute, and to cause its employees to execute, at Seller's expense, such documents, applications, and conveyances and to supply information as Buyer shall request, in order to permit Buyer, at Buyer's expense, to protect, perfect, register, record and maintain its rights in the Inventions and effective ownership of them throughout the world. These obligations survive the expiration or termination of this Purchase Order.

14. **Insurance.** In the event that Seller's obligations hereunder require or contemplate performance of services by Seller's employees, or persons under contract to Seller, to be done on Buyer's property, or the property of Buyer's customers, the Seller agrees that all such work shall be done on an independent contractor basis and that the persons doing such work shall not be considered employees of the Buyer. Seller, and any of Seller's suppliers or subcontractors, if applicable, shall maintain all necessary insurance coverages, including public, product, auto liabilities and worker's compensation insurance. Seller shall indemnify, defend and hold harmless Buyer from any and all claims or liabilities arising out of the work covered by this paragraph. Seller shall provide a certificate to Buyer evidencing such insurance coverage and naming Buyer as an additional insured. The policy evidenced by such certificate shall contain minimum limits acceptable to Buyer and, with respect to worker's compensation insurance, shall contain the limits required by applicable law.

15. **Indemnification.** Seller shall indemnify, defend and hold harmless Buyer, its managers, officers, members, parents, affiliates, subsidiaries, employees, agents, successors, and assigns against any suits, actions or proceedings at law or in equity (including costs, expenses and reasonable attorney's fees incurred in connection with the defense of any such matter) and all claims, losses, damages, judgments, obligations, liabilities and expenses arising out of or resulting in any way from (i) any breach of the representations, warranties, covenants, agreements and obligations of Seller hereunder; (ii) any defects in the Products purchased hereunder; (iii) any acts or omissions of Seller, its agents, employees or subcontractors; or (iv) any claim of infringement (including patent, trademark, copyright, industrial design right, or other proprietary right, or misuse or misappropriation of trade secret) arising out of the purchase, sale or use of the Products covered by this Purchase Order, whether such Products were provided alone or in combination with other goods, services, software or processes. Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification. If Seller fails to fulfill any of its obligations under this paragraph or this Purchase Order, Seller agrees to pay Buyer all costs, expenses and attorney's fees incurred by Buyer to establish or enforce Buyer's rights under this paragraph or this Purchase Order. This indemnification shall be in addition to the warranty obligations of Seller.

16. **Government Contracts [If Applicable].** For Purchase Orders placed in support of and charged to a U.S. Government prime contract or subcontract procuring an item meeting the Federal Acquisition Regulation (FAR) definition of a commercial item, the clauses on Exhibit 1 from the FAR or the Defense Federal Acquisition Regulation Supplement (DFARS) in effect as of the date of said prime contract are incorporated herein by reference. In all clauses listed herein the term "Government" shall mean Buyer and "Contractor" shall mean Seller. In DFARS 252.215-7003, the term "Offeror" shall mean Seller. Seller is on notice that Buyer may utilize the goods specified in this order in the transaction of business with the U.S. Government. Buyer and Seller shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

17. **Environmental Compliance.** "Environmental Requirement" means: Supplier has to ensure compliance with all applicable legal environmental requirements (international, national, federal, regional, local, e.g. Regulation (EC) No. 1907/2006 (REACH)) as well as any specific requirements of the authorities concerning environmental protection with respect to water, soil and air protection, conservation of resources, waste minimization, noise protection, flora and fauna and humans.

    IPS Assembly expects Supplier, supplying any IPS Assembly facility, to be compliant with Articles 57 and 59 of REACH when it relates to IPS Assembly orders.

    For materials imported or purchased in the U.S.: Supplier has to ensure that all components of the product are listed on the Toxic Substances Control Act (TSCA) inventory as maintained by the United States Environmental Protection Agency (US EPA). Information provided in the SDS/MSDS has to meet the minimum requirements of the Hazard Communication Standard as promulgated at 29 CFR 1910.1200.

18. **Business Conduct.** For the purpose of this Article: "Government Official" means: (i) any director, officer or employee of a Public Body or any person acting in an official capacity on its behalf; (ii) any person otherwise holding a legislative, administrative or judicial position at any Public Body; or (iii) any director, officer or employee of any public international organization (e.g. the UN or World Bank). Government Official also includes immediate family members of anyone described above. "Public Body" means any central or local government, or any ministry, department, agency or instrumentality of, or entity owned or controlled by, a government (e.g., a National Oil Company).

    Seller warrants, represents and agrees that (a) in obtaining these Terms and Conditions of Purchase it has complied, and in performing these Terms and Conditions of Purchase it shall comply, with all applicable laws, statutes, regulations and orders relating to anti-bribery, anti-corruption, competition and trade control ("Relevant Requirements"); (b) it shall not provide gifts or entertainment to Buyer's employees of substantial value, or if offered or it appears to be offered in exchange for improper favorable treatment; (c) it shall ensure that any payment or advantage made or given to anyone on behalf, or for the benefit, of Buyer is properly and accurately recorded in Seller's books and records, including the amount or value, purpose and receipt, which records shall be maintained with supporting documentation and provided to Buyer upon reasonable request; (d) to the best of its knowledge, it has no Government Officials as officers, employees or direct or indirect owners of Seller as at the date of these Terms and Conditions of Purchase; (e) it shall immediately notify Buyer in writing: (i) of any request or demand for any undue financial or other advantage of any kind received by Seller in connection with the performance of these Terms and Conditions of Purchase; (ii) on becoming aware of or suspecting that a Government Official is or becomes an officer or employee of Seller or acquires a direct or indirect interest in Seller; and/or (iii) on becoming aware of or suspecting that there has been any breach of this Article; (f) it shall be liable and responsible to Buyer for any act or omission committed by any officer, employee or agent of Seller in breach of this Article.

    Where there has been a breach of this Article, Buyer may: (a) terminate these Terms and Conditions of Purchase in writing with immediate effect at no cost, liability or penalty to Buyer and without prejudice to any other rights or remedies that it may have accrued under or in connection with these Terms and Conditions of Purchase or at law; and (b) retain such amounts owed to Seller as Buyer reasonably believes necessary to compensate and/or set off any loss or liability it has or will suffer as a result of Seller's breach of this Article. If the liabilities to be set off are expressed in different currencies, Buyer may convert either liability in its discretion at a market rate of exchange. Upon termination pursuant to this Article, Seller shall not be entitled to claim compensation or any further remuneration.

    Where applicable, Seller shall ensure that there is a written contract between Seller and any of its subcontractors supplying services or goods in connection with these Terms and Conditions of Purchase which imposes terms equivalent to those imposed on Seller in this Article ("Relevant Terms"). Seller shall be responsible for the observance and performance of the Relevant Terms, and shall be directly liable to Buyer for any breach of any of the Relevant Terms.

    TO THE EXTENT PERMITTED BY LAW, SELLER SHALL INDEMNIFY BUYER AGAINST ANY ACTIONS, CLAIMS, PROCEEDINGS, DEMANDS, LOSSES, LIABILITIES, DAMAGES, COSTS (INCLUDING LEGAL FEES), FINES, PENALTIES AND/OR EXPENSES SUFFERED OR INCURRED BY BUYER AS A RESULT OF ANY BREACH OF THIS ARTICLE BY SELLER OR ANY BREACH OF THE RELEVANT TERMS.

19. **Export and Import Controls; Counterfeit Parts.** If Seller is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services, Seller hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with the International Traffic in Arms Regulations ("ITAR") as well as the Export Administration Regulations ("EAR").

Seller shall control the disclosure of and access to technical data, information and other items received under this Purchase Order and these Terms and Conditions in accordance with U.S. export control regulations. Seller shall immediately notify Buyer if Seller should become or is listed on any U.S. Government list of denied, excluded, unverified or other lists of sanctioned companies, including without limitation the Specially Designated Nationals List, the Denied Party List, or the Entity List. Seller further agrees to abide by all applicable export control laws in any country from which a Product may originate. Seller shall indemnify and hold harmless Buyer from any costs, penalties, fines, damages, expenses or liabilities, including attorney fees, incurred by Buyer in connection with any violation of applicable export control laws and regulations by Seller. Seller shall at all times adhere to counterfeit parts detection and control consistent with SAE AS5553 and AS6081 principles and Buyer's QMS-SOP-039, shall procure only from original component manufacturers or their authorized or franchised distributors unless Buyer has given prior written approval, and shall notify Buyer about any nonconforming process, product or service in relation to counterfeit parts management. Seller shall not furnish suspect or counterfeit parts, and shall immediately quarantine and report any such parts detected.

20. **Child Labor.** Seller must be in compliance with all current, or later adopted, applicable laws, rules, and regulations of the exporting country and of the territory in which any Products are produced, including those governing the use of child labor, and/or governing the importation of any Products produced with child labor into the United States. Seller will not employ children under 15 years of age or who are younger than the age for compulsory education in their country, whichever is older. Seller shall retain documentation of the age of each worker, such as a copy of a government issued identification card or a passport.

21. **Involuntary Labor.** No prison, forced, indentured, or bonded labor may be utilized in the production or delivery of any Products. No employee shall be subject to physical, sexual or psychological harassment or abuse, or cruel or unusual disciplinary practices. Seller must certify that any materials incorporated into Products provided to Buyer comply with laws regarding slavery and human trafficking of the country in which Seller is doing business.

22. **Toxic Substances; SDS, Ingredients Disclosure and Special Warnings and Instructions.** (a) Seller warrants that each chemical substance delivered under a Purchase Order will, at the time of sale, transfer and delivery, be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section 8(b) of the Toxic Substances Control Act (Public Law 94-469); (b) Seller will submit to Buyer prior to and with each shipment Safety Data Sheets prepared in accordance with the OSHA Hazard Communication Standard, 29 CFR 1910.1200; (c) if requested by Buyer, Seller will promptly furnish to Buyer in such form and detail as Buyer may direct: (1) a list of all ingredients in the Products purchased hereunder; (2) the amount of one or more of the ingredients; and (3) information concerning any changes in or additions to such ingredients. If Seller does not have immediate access to this information, Seller will use all reasonable efforts to obtain this information and furnish it as requested to Buyer as soon as possible after delivery; (d) prior to and with the shipment of the Products purchased hereunder, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the Products, containers and packing) of any hazardous material which is an ingredient or a part of any of the Products, together with such special handling instructions as may be necessary to advise carriers, Buyer and their respective employees on how to exercise that measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Products, containers and packing shipped to Buyer; (e) Seller will comply with all laws, orders and regulations pertaining to the use, storage, and disposal of restricted toxic and hazardous materials. Seller has to comply with any regulatory requirements, e.g. RoHS and REACH compliance.

23. **Conflict Minerals (Dodd-Frank Section 1502).** The Parties recognize, 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, the Parties commit to comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, the Parties commit to have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides to the other Party; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there; and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Seller shall furnish a completed Conflict Minerals Reporting Template (CMRT) on request. The Parties shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

24. Compliance with Laws. Seller will comply with the Fair Labor Standards Act of June 30, 1938 (29 U.S.C. 201-209) as amended, the Occupational Safety and Health Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act, age discrimination statutes, the Family and Medical Leave Act, and any and all other federal, state and local laws and statutes, including but not limited to identification and procurement of required permits, certificates, approvals and inspections, labor and employment obligations, affirmative action, wage and hour laws and any other laws which subsequently become applicable. Seller shall comply with all applicable national, state, provincial, and local laws, ordinances, rules, and regulations, including those relating to pollution control, waste disposal, hazardous substances, and protection of the environment; and Seller shall hold Buyer harmless from and against any and all liability due to the Seller's failure to so comply.

25. Miscellaneous. The rights herein granted are for the benefit of the parties hereto and are not for the benefit of any third person, firm or corporation, and nothing herein contained shall be construed to create any rights in any third parties under, as the result of, or in connection with this Purchase Order.

Seller and all U.S. domestic subcontractors and sub-tiers performing maintenance (or providing Products) in accordance with Title 14 CFR Part 43 on Buyer-provided civil aviation products or components must hold or participate in an FAA-approved Anti-Drug and Alcohol Misuse Prevention Plan as specified in Title 14 CFR Part 120.

Acceptance of this Purchase Order constitutes Seller's consent and grants to Buyer a right of entry for Buyer, Buyer's customers and regulatory agencies to the Seller's and Seller's subcontractors' premises to inspect and determine the quality of Products and any other contracted work, including access to any materials, records, processes and/or services provided to Buyer, in accordance with 14 CFR 145.223(b). Seller acknowledges that it and any of its subcontractors shall have a quality management system in place at their respective facilities that meets the requirements of ISO 9001, AS9100D or AS9120B (current revision), IATF 16949 where applicable, a Buyer-approved quality management system, or the equivalent certification in accordance with 14 CFR 145.217(b)(1).

Products or components furnished are not to be subcontracted for any of the maintenance without the express written approval of the Buyer's Quality Systems / Compliance Department. Records of approvals are to be submitted to Buyer upon request. Buyer's Quality Systems / Compliance Department shall be notified immediately of any loss of approval or cessation of participation in such a plan.

These Terms and Conditions shall be construed, interpreted and applied in accordance with the laws of the State of Michigan, including its provisions of the Uniform Commercial Code, but excluding its conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to transactions under this Purchase Order.

If any provision of these Terms and Conditions for Purchase, or application thereof, is found invalid, illegal or unenforceable by law, the remainder of these Terms and Conditions for Purchase will remain valid, enforceable and in full force and effect, and the parties will negotiate in good faith to substitute a provision of like economic intent and effect. These Terms and Conditions contain the entire and only agreement between the parties, and supersede all pre-existing agreements between such parties respecting the subject matter hereof; and any representation, promise or condition in connection therewith not incorporated herein shall not be binding upon either party.

No part of this order may be assigned or subcontracted without the prior written approval of Buyer. Any assignment or transfer without such written consent shall be null and void. This agreement shall inure to the benefit of, and be binding upon, the successors and assigns of Buyer without restriction. A waiver of any default hereunder, or of any term or condition of these Terms and Conditions, shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition.

Seller shall comply with all directives, laws, statutes, regulations, orders, decisions and requirements, including recordkeeping requirements, of any applicable governmental authority.

SECTIONS ADDED AT REVISION 03

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26. Certificate of Conformity (C of C). Seller shall furnish a Certificate of Conformity with EVERY ORDER AND EVERY SHIPMENT delivered under this Purchase Order, without exception and at no additional charge to Buyer.

26.1 The C of C shall accompany the shipment (packed with the shipping documents) and shall additionally be transmitted electronically to Buyer's Receiving Inspection on or before the date of shipment.

26.2 Each C of C shall be signed, or electronically authenticated, by an authorized representative of Seller, and shall state as a minimum:

(a) Seller's legal name and address, and the manufacturing location if different;

(b) Buyer's Purchase Order number and line item number;

(c) Part number and revision level as stated on the Purchase Order, and Seller's part number where different;

(d) Quantity shipped;

(e) Lot, batch, date code and/or serial numbers, sufficient to establish traceability to the original manufacturer;

(f) Original component manufacturer (OCM) or original equipment manufacturer (OEM) name, and the authorized or franchised distributor through which the Products were procured;

(g) Country of origin, and country of manufacture where different;

(h) A statement that the Products conform in all respects to the requirements of the Purchase Order, the applicable drawings and specifications at the stated revision level, and all applicable statutory and regulatory requirements identified in Section 27;

(i) Identification of any deviation, waiver or concession, together with the Buyer written authorization permitting it;

(j) Reference to applicable test reports, material certifications, and first article inspection reports, which shall be attached where required by the Purchase Order or an associated Quality Clause.

26.3 For raw material, Seller shall additionally furnish the mill or material certification traceable to the heat, lot or batch.

26.4 For Products intended for civil aviation use, for defense articles, and for Products subject to a customer-designated special control under Section 27.3, the C of C shall be furnished in the specific form prescribed by the applicable Quality Clause on the face of the Purchase Order.

26.5 Product received without a compliant C of C shall be placed on hold, is subject to rejection and return at Seller's expense, and shall be recorded as a supplier delivery nonconformance affecting Seller's performance rating under Section 4. Buyer is not obliged to accept a C of C furnished after the fact.

26.6 A false, incomplete, or unsupported Certificate of Conformity constitutes a material breach of this Purchase Order and grounds for termination for cause under Section 6, in addition to any remedy available to Buyer at law or in equity.

26.7 Seller shall retain a copy of each C of C and its supporting objective evidence for the period specified in Section 28.5.

27. Statutory and Regulatory Requirements. Seller shall maintain a documented process to ensure that all Products, processes and services supplied under this Purchase Order conform to the current applicable statutory and regulatory requirements of:

(a) the country of receipt;

(b) the country of shipment; and

(c) the customer-identified country of destination, where Buyer has provided that destination on the face of the Purchase Order or in an associated Quality Clause.

27.1 Seller shall identify and monitor changes to those requirements and shall notify Buyer in writing, in advance where possible, of any change that affects or may affect the conformity of Products supplied under this Purchase Order.

27.2 Seller shall furnish objective evidence of conformity on request, at no charge, including but not limited to declarations for RoHS, REACH (Articles 33, 57 and 59), TSCA, conflict minerals (CMRT), PFAS, and country of origin.

27.3 Where Buyer's customer defines special controls for certain Products having statutory and regulatory requirements, Seller shall ensure those controls are implemented and maintained as defined, INCLUDING AT SELLER'S OWN SUB-TIER SUPPLIERS, and shall provide objective evidence of implementation upon request.

27.4 Where a statutory or regulatory requirement conflicts with a Buyer specification, Seller shall notify Buyer in writing before proceeding and shall not ship until the conflict has been resolved in writing by Buyer.

27.5 Sections 17, 19, 20, 21, 22, 23 and 24 apply in addition to, and not in substitution for, this Section 27.

28. Supplier Quality Management System Development. Seller shall develop, implement and continually improve a quality management system, with the objective of becoming certified to IATF 16949. Unless otherwise authorized by Buyer in writing, the following is the minimum acceptable progression:

(a) compliance with ISO 9001 through second-party audit;

(b) certification to ISO 9001 through third-party audits by a certification body bearing the accreditation mark of a recognized IAF MLA signatory;

(c) certification to ISO 9001 with compliance to other customer-defined QMS requirements (such as MAQMSR) through second-party audit;

(d) certification to IATF 16949 through third-party audits by an IATF-recognized certification body.

28.1 For Products supplied in support of aerospace or defense programs, Seller shall progress toward certification to AS9100D (manufacturers) or AS9120B (distributors), current revision.

28.2 Buyer shall determine the required level and the timing of progression based on Seller's performance, the criticality and risk of the Products supplied, and any customer-specific requirement flowed down to Buyer. Buyer will document its rationale for the level required.

28.3 Buyer reserves the right to conduct second-party audits of Seller for supplier risk assessment, supplier monitoring, quality management system development, and product audit. Seller shall grant access in accordance with Section 4 and shall respond to any finding with a documented root cause analysis and corrective action within the timeframe stated in the audit report.

28.4 Seller shall notify Buyer's Quality Systems / Compliance Department within twenty-four (24) hours of any loss, suspension, withdrawal or downgrade of any quality management system certification, and of any special status imposed by a certification body or customer.

28.5 Seller shall retain records of certification, second-party audits, corrective actions, C of C and supporting objective evidence, and product and process conformity for the length of time the part is active for production and service requirements plus one (1) calendar year, or for the period required by Section 4 or by applicable law, whichever is longest.

29. Flow-Down to Sub-Tier Suppliers. Seller shall flow down to its sub-tier suppliers all applicable requirements of this Purchase Order, including these Terms and Conditions, all Quality Clauses, all customer-specific requirements identified by Buyer, and the requirements of Sections 26, 27 and 28.

29.1 Seller shall use, and shall require its sub-tier suppliers to use, authorized manufacturers, franchised or authorized distributors, and any Buyer- or customer-designated source where such a source has been designated. Procurement from an independent distributor, broker or other non-authorized source requires Buyer's prior written approval and full counterfeit-mitigation test evidence in accordance with Section 19.

29.2 Seller remains fully responsible to Buyer for the conformity of all Products and services provided by its sub-tier suppliers. Sub-tier failure is not an excuse for nonconformity or late delivery.

30. Order of Precedence. In the event of conflict, the following order of precedence governs, highest first: (a) a written agreement signed by an authorized representative of both parties; (b) Quality Clauses stated on or attached to the face of the Purchase Order; (c) the face of the Purchase Order; (d) these Terms and Conditions; (e) drawings, specifications and standards referenced by the Purchase Order. In no event do Seller's own terms form part of the agreement.

— END OF QMS-SOP-032 REV 03 —