IPS ASSEMBLY CORP.

QMS-SOP-035

Terms and Conditions of Manufacture and Sale

Customer Order Acceptance — IPS Assembly as Seller

Field	Detail	Field	Detail
Document ID	QMS-SOP-035	Revision	01
Effective Date	11 August 2026	Supersedes	None — initial release
Prepared By	Quality Management Representative	Approved By	President
Issued By	Quality Management Representative	Review Cycle	Annual, or upon standard change
Applies To	All quotations, order acknowledgments and sales by IPS Assembly Corp.	Classification	Controlled — Public (website published)

SCOPE NOTICE. This document governs IPS Assembly Corp. acting as **SELLER** — the terms on which IPS Assembly quotes, accepts a customer purchase order, manufactures, and sells. The corresponding Buyer-side document, governing IPS Assembly's purchases from its own suppliers, is **QMS-SOP-032, Purchase Order Terms and Conditions**. The two are legally adverse and shall never be substituted for one another. QMS-SOP-032 shall not appear on a customer quotation; this document shall not appear on a supplier purchase order.

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 Terms and Conditions on which it quotes, accepts customer orders, manufactures, and sells products and services.

1.2 It establishes the contractual baseline used during contract review, so that requirements accepted at order entry are the requirements IPS Assembly is capable of meeting and has priced for.

2.0 Scope

2.1 Applies to every quotation, order acknowledgment, sales order, and shipment issued by IPS Assembly Corp., across all market segments including automotive, aerospace, defense and industrial.

2.2 Where a customer requires a signed master supply agreement, long-term agreement, or supplier manual, that document takes precedence to the extent of any conflict, and its deviations from Part B shall be identified and accepted in writing during contract review before quotation.

3.0 Reference Standards and Documents

Reference	Requirement / Title
ISO 9001:2015	8.2.2 Determining requirements; 8.2.3 Review of requirements; 8.2.4 Changes to requirements
IATF 16949:2016	8.2.3.1.1 Review of requirements — supplemental; 8.2.3.1.2 Customer-designated special characteristics; 8.2.3.1.3 Organization manufacturing feasibility
IPC-A-610	Acceptability of Electronic Assemblies
IPC J-STD-001	Requirements for Soldered Electrical and Electronic Assemblies
IPC/WHMA-A-620	Requirements and Acceptance for Cable and Wire Harness Assemblies
IPC-6012 / IPC-A-600	Qualification and Performance / Acceptability of Printed Boards
UCC Articles 2 and 9	Michigan Uniform Commercial Code, including MCL 440.2207 (additional terms in acceptance) and Article 9 (secured transactions)
QMS-SOP-032	Purchase Order Terms and Conditions (IPS Assembly as Buyer)
QMS-F-006 / QMS-REC-006	NPI and Contract Review
QMS-F-008 / QMS-REC-008	Repeat Order Contract Review
QMS-WI-28	NPI and Contract Review Work Instruction
QMS-SOP-039	Procedure for Counterfeit Parts Control

4.0 Responsibility and Authority

Role	Responsibility
Quality Management Representative (QMR)	Owns this procedure. Reviews Part B at least annually. Controls revisions per QMS-SOP-002. Verifies website publication per 5.0.
President	Approves this procedure. Sole authority to accept a customer term that deviates from Part B. Authorizes website publication.
Sales / Estimating	Applies the quotation reference term in 6.0 to every outgoing quotation. Identifies customer terms that conflict with Part B and escalates before quoting.
Contract Review Team	During NPI and repeat-order contract review, records any accepted deviation from Part B on QMS-F-006 / QMS-F-008 so the deviation is traceable to an approval.
Purchasing	Applies QMS-SOP-032 — not this document — to supplier purchase orders.

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/, freely accessible 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-035 Rev 01, effective 28 August 2026"), so that the reference printed on a quotation 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 remain retrievable. The revision in effect on the date of the quotation governs the resulting order.

6.0 Quotation and Acknowledgment Reference Term

6.1 Every quotation, order acknowledgment, sales order confirmation, invoice and packing list issued by IPS Assembly Corp. shall bear the following term:

> *IPS Standard Terms and Conditions Apply. This quotation is governed exclusively by IPS Assembly Corp. Terms and Conditions of Manufacture and Sale, QMS-SOP-035 Rev 01, at www.ipsassembly.com/terms-conditions/. Acceptance of any resulting order is expressly conditioned on Buyer's assent to those terms. Any additional or different terms in Buyer's purchase order are expressly rejected unless accepted in writing by an authorized officer of IPS Assembly Corp.*

6.2 The reference shall be configured as a standing field in the quotation and acknowledgment templates so that it cannot be omitted at order entry.

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

6.4 Placing this reference term on a quotation is the single most important control in this procedure. Under UCC Article 2, where IPS Assembly's offer is silent as to its own terms and the customer responds with a purchase order carrying the customer's terms, the customer's terms govern by default. The reference term prevents that outcome.

7.0 Handling Conflicting Customer Terms

7.1 Where a customer purchase order, supplier manual, or portal acceptance imposes terms that conflict with Part B, Sales shall not accept the order until the conflict has been reviewed.

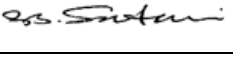
7.2 Terms requiring escalation to the President before acceptance include, at minimum: unlimited or uncapped liability; liability for consequential damages, line-down charges, recall or field campaign cost; warranty periods exceeding twelve (12) months; acceptance of design responsibility; unlimited price-down or cost-reduction commitments; consignment or bailment of inventory without an excess and obsolete commitment; indemnities for infringement of a customer-supplied design; and any use of the Products in an application within Part B Section 17.

7.3 Any accepted deviation shall be recorded on the contract review record for that program and shall not be treated as a precedent for other customers or other programs.

8.0 Change Record

Rev	Date	Responsible	Description of Change
01	28 August 2026	QMR	Initial release. Created to close the gap identified during the 2026 IATF 16949 surveillance audit: IPS Assembly held only Buyer-side terms (QMS-SOP-032) and had no Seller-side terms governing acceptance of customer purchase orders, manufacture, or sale. Document number assigned from the vacant identifier in QMS-REC-000 Master List of Controlled Documents. Commercial positions approved by the President: twelve (12) month workmanship warranty; liability capped at the price of the affected goods; consequential damages excluded; excess and obsolete material liability extending to material procured against customer forecast; IPC-A-610 Class 2, J-STD-001 Class 2 and IPC/WHMA-A-620 Class 2 adopted as default acceptance criteria; purchase-money security interest retained until payment in full; high-risk and critical applications excluded absent written approval.

9.0 Approval

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

PART B — TERMS AND CONDITIONS OF MANUFACTURE AND SALE

IPS Assembly Corp. (United States) — Revision 01, effective 28 August 2026

IPS Assembly Corp., its operating divisions and subsidiaries, are each herein referred to individually and collectively as the "Seller", and the person or entity purchasing goods or services (collectively the "Products") from Seller is referred to as the "Buyer". Unless otherwise expressly agreed in writing with respect to a particular sale, all quotations, orders, manufacture and sales are made in accordance with and subject to these Terms and Conditions of Manufacture and Sale (the "Terms"), which, together with Seller's quotation and Seller's order acknowledgment, constitute the complete and exclusive statement of the agreement between the parties.

1. **Acceptance; Exclusive Terms.** SELLER'S ACCEPTANCE OF ANY ORDER IS EXPRESSLY MADE CONDITIONAL ON BUYER'S ASSENT TO THESE TERMS. Any additional or different terms proposed by Buyer, whether in a purchase order, supplier manual, quality manual, terms of purchase, electronic portal acceptance, click-wrap, or any other document or medium, are hereby expressly rejected and shall not become part of the agreement, whether or not they materially alter these Terms, unless expressly accepted in a writing signed by an authorized officer of Seller. Seller's failure to object to any term proposed by Buyer shall not constitute acceptance of that term. Buyer's issuance of a purchase order, acceptance of delivery, or payment of an invoice constitutes acceptance of these Terms in full. No course of dealing, course of performance, or usage of trade shall modify these Terms.

2. **Quotations and Prices.** Quotations are offers to sell and, unless otherwise stated on their face, expire thirty (30) days from date of issue. Quoted prices are based on the specifications, drawing revisions, bill of material, approved manufacturer list, quantities, packaging, test requirements and delivery schedule stated in the quotation, and on component pricing and availability at the time of quotation, and assume Buyer's release of the full quoted production quantity. Prices exclude federal, state and local taxes, customs duties, tariffs, freight, insurance, non-recurring engineering, tooling, fixtures, test development, expedite fees and documentation charges unless expressly included in writing. Seller may adjust prices upon written notice for: (a) any change to specifications, drawing revision, bill of material, or approved manufacturer list; (b) order quantities differing from those quoted; (c) increases in component cost, tariffs, duties, levies or freight exceeding five percent (5%) between the date of quotation and the date of procurement; (d) Buyer-directed source changes; (e) minimum order quantity, minimum packaging quantity, or economic order quantity constraints imposed by the component supply chain; or (f) Buyer-caused schedule changes. Buyer may cancel affected undelivered quantities within ten (10) days of such notice, subject to Section 8. Where no price has been stated, the price shall be Seller's price in effect at the time of delivery.

3. **Payment; Taxes; Credit.** Unless otherwise stated in Seller's acknowledgment, terms of payment are net thirty (30) days from date of invoice, in U.S. dollars. Past due amounts bear interest at one and one-half percent (1.5%) per month (eighteen percent (18%) per year) or the maximum rate permitted by law, whichever is less, together with costs of collection including reasonable attorney fees. All payment terms are subject to Seller's continuing credit approval; Seller may at any time require payment in advance, a deposit, a letter of credit, or other security, may revoke credit previously extended, and may withhold shipment or suspend performance until such security is provided. Failure to keep the account current may, at Seller's option, place the account on C.O.D. status. Buyer shall pay all sales, use, excise, value added, customs duties, tariffs and similar charges, excepting only taxes on Seller's net income, and is responsible for obtaining and providing to Seller any certificate of exemption or similar document required to exempt a sale from tax liability. Buyer shall have no right of setoff, deduction, chargeback or recoupment against any amount owed to Seller, and any Buyer chargeback, debit memo or automatic deduction is expressly rejected. Amounts as to which there is no bona fide dispute shall be paid when due regardless of any other controversy between the parties. Payment obligations are not conditional on Buyer's receipt of payment from its own customer.

4. **Security Interest.** Seller reserves, and Buyer hereby grants to Seller, a purchase-money security interest in all Products sold hereunder, in all work in process and material allocated to Buyer's orders, and in the proceeds of each, to secure full payment and performance of Buyer's obligations to Seller. Buyer authorizes Seller to file such financing statements and other documents as Seller deems necessary to perfect that interest, and shall execute and deliver any further document Seller reasonably requests for that purpose. Seller's security interest is in addition to, and not in limitation of, Seller's right to stop delivery in transit and any other remedy available to a seller under Article 2 or Article 9 of the Uniform Commercial Code.

5. **Delivery; Title and Risk of Loss; Quantity Tolerance.** Unless otherwise stated in Seller's acknowledgment, delivery is F.O.B. Origin, Seller's facility, Livonia, Michigan. Title and risk of loss pass to Buyer upon the earlier of delivery to Buyer or delivery to a carrier at Seller's facility for shipment to Buyer. For international shipments, FCA Livonia (Incoterms 2020) applies unless otherwise agreed in writing. Unless Buyer designates a carrier and account in writing, Seller will ship by a carrier of its choosing with freight prepaid and added to the invoice. Delivery dates quoted or acknowledged by Seller are good faith estimates based on component lead times, supplier capacity and production scheduling prevailing at the time of acknowledgment, and are not guaranteed; Seller shall use commercially reasonable efforts to meet them. TIME IS NOT OF THE ESSENCE, and Seller shall not be liable for any loss, penalty, liquidated damage, line-down charge, expedite cost, or cost of cover arising from late delivery. Seller may deliver in installments and invoice each installment separately. On build-to-order assemblies, Seller may ship, and Buyer shall accept, a quantity within plus or minus five percent (±5%) of the ordered quantity, with the invoice adjusted accordingly. Buyer shall take delivery within five (5) business days of Seller's notice that Products are ready; thereafter Seller may invoice the Products as delivered and store them at Buyer's risk and expense, and Buyer shall be liable for all costs of holding or storing.

6. **Buyer-Supplied and Consigned Material.** Where Buyer supplies components, materials, tooling or test equipment ("Consigned Material"), Buyer shall deliver it to Seller's facility at Buyer's cost and risk, in accordance with the schedule agreed at order acceptance, in manufacturer-original packaging, with full traceability documentation and certificates of conformity. Buyer shall supply an attrition allowance of not less than two percent (2%) above the theoretical build quantity, or such greater allowance as the process requires; Seller has no liability for consumption within the allowance. SELLER'S OBLIGATION WITH RESPECT TO CONSIGNED MATERIAL IS LIMITED TO THE EXERCISE OF REASONABLE CARE IN ITS STORAGE AND HANDLING. Seller does not warrant, and accepts no liability whatsoever for, the design, quality, authenticity, functionality, moisture sensitivity, shelf life, or availability of Consigned Material, or of any component procured from a source directed or mandated by Buyer. Late, short, or nonconforming Consigned Material relieves Seller of the affected delivery commitment and entitles Seller to charges for line-down time, rescheduling, requalification and storage. Seller may verify quantities on receipt; Buyer's records are not binding on Seller absent Seller's own verification.

7. **Changes and Engineering Change Orders.** No change to a drawing, specification, revision level, bill of material, approved manufacturer list, process, packaging, test requirement, quantity, or delivery schedule shall be effective unless and until Seller issues a revised order acknowledgment stating the impact on price, lead time, and excess and obsolete material exposure. Buyer is responsible for all cost of material rendered excess or obsolete by a Buyer-requested change, together with requalification, first article and documentation cost. Seller shall not deviate from the accepted drawing or specification without Buyer's prior written authorization.

8. **Cancellation, Suspension, and Excess and Obsolete Material Liability.** ORDERS ARE NON-CANCELLABLE AND NON-RETURNABLE TO THE EXTENT SELLER HAS PROCURED MATERIAL OR COMMENCED WORK. Accepted orders may be cancelled only with Seller's prior written consent. Upon cancellation, reduction, or suspension of an order for any reason other than Seller's uncured material breach, Buyer shall pay Seller:

   (a) one hundred percent (100%) of the order price of all finished Products, whether or not shipped;

   (b) one hundred percent (100%) of the cost of all work in process, including labor, overhead and applied margin, at the stage of completion reached;

   (c) one hundred percent (100%) of the cost of all material and components on hand, on order, in transit, or subject to a non-cancellable or non-returnable commitment to a supplier, procured against Buyer's purchase order or against Buyer's written forecast, plus a material handling and restocking charge of fifteen percent (15%);

   (d) all supplier cancellation, restocking, non-cancellable and non-returnable charges actually incurred by Seller;

   (e) all unamortized non-recurring engineering, tooling, fixture, programming, test development and qualification cost; and

   (f) storage and insurance charges for material or Products held at Buyer's direction.

   8.1 Suspension. Buyer may suspend an order for up to thirty (30) days upon written notice. A suspension exceeding thirty (30) days shall be treated as a cancellation under this Section. Material and Products held during suspension are stored at Buyer's risk and expense.

   8.2 Excess and obsolete material. Material procured against Buyer's forecast, or in minimum, economic or packaging order quantities dictated by the component supply chain, that remains unconsumed one hundred

twenty (120) days after the last related shipment, after a reduction in Buyer's forecast, or after an engineering change, shall be invoiced to Buyer at Seller's cost plus fifteen percent (15%) and shipped to Buyer.

8.3 Effect of forecasts. Buyer acknowledges that Seller procures material and schedules capacity in reliance on Buyer's written forecasts. Buyer's forecasts constitute authorization to procure and are binding on Buyer for the liability purposes of this Section 8, notwithstanding that they may be non-binding as to the obligation to purchase.

8.4 This Section 8 states Buyer's minimum liability on cancellation and is in addition to, not in limitation of, any other remedy available to Seller.

9. Workmanship Standards and Acceptance Criteria. Unless a different class or standard is expressly stated in Seller's quotation or order acknowledgment, Products are manufactured and inspected to the following default acceptance criteria, at the revision in effect on the date of the quotation:

(a) Printed circuit board assemblies — IPC-A-610 Class 2 and IPC J-STD-001 Class 2;

(b) Cable and wire harness assemblies — IPC/WHMA-A-620 Class 2;

(c) Bare printed boards — IPC-6012 Class 2 and IPC-A-600 Class 2;

(d) Electrostatic discharge control — ANSI/ESD S20.20.

9.1 Class 3, space or mission-critical requirements, and any customer-specific workmanship standard, apply only where identified in writing before quotation, accepted by Seller in writing, and priced accordingly.

9.2 Where Buyer's drawing, specification or supplied design conflicts with the applicable IPC standard, the Buyer document governs only to the extent expressly identified and accepted by Seller in writing; absent such acceptance, the IPC standard governs and Seller is entitled to build to it.

9.3 Conformance to the criteria in this Section is the measure of acceptability. A cosmetic condition permitted by the applicable IPC class is not a defect.

10. Inspection and Acceptance. Buyer shall inspect Products promptly upon receipt and shall give Seller written notice of any nonconformity, specifying the defect in reasonable detail, within thirty (30) days of receipt. Products not rejected within that period are deemed accepted. Latent defects not discoverable on reasonable inspection may be notified within the warranty period under Section 13. No Product may be returned without a Return Material Authorization issued by Seller; Products returned without an RMA will be refused. Payment does not constitute acceptance, and acceptance does not waive the warranty under Section 13.

11. Quality Requirements; First Article and PPAP. Seller maintains a quality management system certified to ISO 9001 and IATF 16949, and to AS9100D where applicable to the program. First Article Inspection to AS9102, Production Part Approval to AIAG PPAP, and any customer-specific submission level, apply only where expressly identified in Seller's quotation and priced accordingly. Quality performance is measured against the defects-per-million and on-time-delivery targets stated in the quotation or in a signed long-term agreement, and not against any target contained in a customer document not accepted in writing by Seller. Customer-specific requirements, supplier manuals, and quality clauses bind Seller only where furnished to Seller in writing before quotation and expressly accepted by Seller in writing. Seller will respond to a documented customer complaint using its 8D corrective action process.

12. Certificate of Conformity. Seller shall furnish a Certificate of Conformity with each shipment, identifying Buyer's purchase order number, Seller's part number, the Buyer part number and drawing revision accepted by Seller, quantity shipped, lot or date code or serial identification as applicable, and a statement that the Products conform to the drawings and specifications at the revision level accepted by Seller in its order acknowledgment and to the acceptance criteria in Section 9. Additional certifications, source documentation, test data, material certifications, or customer-specific certificate formats may be furnished at Buyer's request subject to a documentation charge quoted in advance. A Certificate of Conformity certifies conformity to the accepted drawing, specification and workmanship class only; it is not a warranty of the suitability, performance or safety of Buyer's design or of Buyer's intended application.

13. Limited Warranty. Seller warrants that, for a period of TWELVE (12) MONTHS FROM THE DATE OF SHIPMENT, Products manufactured by Seller will be free from defects in WORKMANSHIP and will conform to the drawings, specifications and revision levels expressly accepted by Seller in its order acknowledgment and to the acceptance criteria in Section 9. With respect to components and materials incorporated into the Products, Seller assigns to Buyer, to the extent assignable and without recourse to Seller, the warranty of the original component manufacturer; Seller's own

warranty does not extend to component design, component performance, or latent component defect. Where Products are manufactured to Buyer's design, drawing, specification, process instruction, or direction, Seller warrants only that it manufactured in conformance with that design, drawing, specification, process instruction or direction; Seller makes no warranty as to the adequacy, performance, safety, reliability, manufacturability or fitness of Buyer's design. A repaired or replaced Product carries the remainder of the original warranty period or ninety (90) days from the date of repair or replacement, whichever is longer.

THE WARRANTY STATED IN THIS SECTION 13 IS THE ONLY WARRANTY MADE BY SELLER AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE. SELLER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ANY WARRANTY ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

14. **Warranty Exclusions.** The warranty in Section 13 does not apply to, and Seller shall have no liability for, any Product or failure arising from or relating to: (a) Consigned Material or any component supplied, specified, directed or mandated by Buyer; (b) components procured from an independent distributor, broker or other non-authorized source at Buyer's direction or approval; (c) Buyer's design, drawing, specification, bill of material, approved manufacturer list, process instruction, test program or test coverage; (d) normal wear, or use beyond the specified service life; (e) cosmetic conditions permitted by the applicable IPC class under Section 9; (f) improper storage, handling, moisture exposure, electrostatic discharge, installation, conformal coating, potting, cleaning, testing, integration or use after delivery; (g) modification, rework, repair or assembly performed by anyone other than Seller; (h) electrical, mechanical, thermal, chemical or environmental stress outside the specification accepted by Seller; (i) accident, abuse, misuse, flood, fire, earthquake or other external cause; (j) failure to follow Seller's packaging, handling, storage or ESD instructions; (k) removal or defacement of any serial number, lot code or traceability marking; or (l) any application not disclosed to Seller in writing prior to quotation, including any application within Section 17.

15. **Exclusive Remedy; Limitation of Liability.** Buyer's sole and exclusive remedy, and Seller's entire obligation, for any Product that does not conform to the warranty in Section 13 shall be, at Seller's sole option, the repair, replacement, or credit of the purchase price of the nonconforming Product, provided the Product is returned under an RMA within the warranty period and Seller's examination confirms the nonconformity.

    IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO ANY PRODUCT, ORDER, QUOTATION OR THESE TERMS — WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY, STATUTE OR OTHERWISE — EXCEED THE PRICE ACTUALLY PAID BY BUYER TO SELLER FOR THE SPECIFIC PRODUCT GIVING RISE TO THE CLAIM.

    IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, OR FOR ANY LOSS OF PROFIT, REVENUE, DATA, GOODWILL, USE, PRODUCTION OR BUSINESS INTERRUPTION; ANY LINE-DOWN, LINE-STOPPAGE, PREMIUM FREIGHT, SORTING, CONTAINMENT, EXPEDITE OR THIRD-PARTY SORTING CHARGE; ANY COST OF COVER OR SUBSTITUTE PROCUREMENT; ANY COST OF REMOVAL, DISASSEMBLY, REINSTALLATION OR REWORK OF A HIGHER-LEVEL ASSEMBLY; OR ANY CLAIM ASSERTED AGAINST BUYER BY A THIRD PARTY — EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

    The limitations in this Section 15 apply notwithstanding the failure of essential purpose of any limited remedy, are a material basis of the bargain and are reflected in the price of the Products, and shall survive termination or expiration. Any action arising out of or relating to these Terms or any Product must be commenced within one (1) year after the cause of action accrues.

16. **Recalls and Field Actions.** SELLER SHALL HAVE NO LIABILITY FOR THE COST OF ANY RECALL, FIELD SERVICE ACTION, RETROFIT, CUSTOMER SATISFACTION CAMPAIGN, STOP-SHIP, SAFETY NOTICE, OR WARRANTY ADMINISTRATION PROGRAM, whether initiated by Buyer, by Buyer's customer, or by a regulatory authority, unless Seller has agreed in writing signed by an authorized officer of Seller to participate in and share the cost of that specific action. Buyer shall notify Seller in writing before making any public statement, regulatory filing, or customer communication attributing such an action to Seller or to Products supplied by Seller.

17. **High-Risk and Critical Applications.** Products manufactured by Seller are not authorized for use as critical components in life support devices or systems, or in any other high-risk application, without the express prior written approval of the President of Seller. For the purposes of this Section:

(a) a life support device or system is a device or system intended for surgical implant into the body, or which supports or sustains life, and whose failure to perform when properly used in accordance with its labeling can reasonably be expected to result in significant injury to the user;

(b) a critical component is any component whose failure to perform can reasonably be expected to cause the failure of the device or system, or to affect its safety or effectiveness; and

(c) high-risk applications additionally include nuclear facility operation, aircraft flight control or navigation, weapons or munitions firing and arming circuits, autonomous vehicle safety systems, emergency or life-safety equipment, and any other application in which failure of the Product could reasonably be expected to result in death, personal injury, or severe physical, environmental or property damage.

17.1 BUYER USING PRODUCTS IN ANY SUCH APPLICATION DOES SO ENTIRELY AT ITS OWN RISK AND SHALL DEFEND, INDEMNIFY AND HOLD SELLER HARMLESS FROM AND AGAINST ALL RESULTING CLAIMS, LOSSES, DAMAGES, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY FEES.

17.2 Buyer shall disclose the intended application in writing prior to quotation. Nothing in this Section is waived by Seller's knowledge of the application absent the written approval required above.

18. Tooling, Fixtures and Test Equipment. Tooling, fixtures, programs and test equipment paid for in full by Buyer are Buyer's property, shall be identified as such, and are held at Buyer's risk; Buyer shall insure them. Seller shall maintain such items in good working order at Buyer's expense, ordinary wear excepted, and shall not be liable for their loss or damage except to the extent caused by Seller's gross negligence. Seller retains all right, title and interest in tooling, fixtures, programs and test equipment that Seller funded, in whole or in part, whether or not amortized into the price. Following twenty-four (24) months without a production release against the associated part, Seller may dispose of Buyer-owned tooling upon sixty (60) days' written notice to Buyer. Unless expressly agreed in writing, Seller assumes no obligation to install Products or to place them in working order at Buyer's premises or any other location.

19. Intellectual Property. Buyer retains ownership of Buyer's designs, drawings, specifications and pre-existing intellectual property furnished to Seller. Seller retains all right, title and interest in and to its own manufacturing processes, methods, know-how, process parameters, fixture and tooling designs, test software and test methods, and all improvements, derivatives and developments thereto, including any conceived or reduced to practice in the course of performance, and nothing in these Terms grants Buyer any license to the same. Seller assumes no obligation or liability of any kind with respect to any infringement or alleged infringement of any United States or foreign patent, copyright, trademark or other proprietary right arising out of Buyer's purchase, use, possession, sale or delivery of Products produced hereunder. BUYER SHALL DEFEND, INDEMNIFY AND HOLD SELLER HARMLESS FROM AND AGAINST ANY CLAIM, SUIT, LOSS, DAMAGE, COST OR EXPENSE (INCLUDING REASONABLE ATTORNEY FEES) ALLEGING THAT PRODUCTS MANUFACTURED TO BUYER'S DESIGN, DRAWING, SPECIFICATION, PROCESS OR DIRECTION, OR THAT BUYER'S USE OR SALE OF SUCH PRODUCTS, INFRINGES OR MISAPPROPRIATES ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET, MASK WORK OR OTHER INTELLECTUAL PROPERTY RIGHT.

20. Confidentiality. Each party shall protect the other party's confidential information with not less than reasonable care and shall use it solely for the purpose of performing under these Terms, for a period of three (3) years from disclosure, or for such longer period as any separate non-disclosure agreement between the parties provides. Seller's pricing structure, cost build-up, process parameters, yield data, supplier identities, capacity and manufacturing methods are Seller's confidential information. Neither party shall use the other's name or marks in advertising or publicity without prior written consent. Nothing in this Section prevents disclosure required by law, regulation, or a customer or regulatory audit conducted under Section 23.

21. Export Control; ITAR and EAR. Seller is registered with the U.S. Department of State Directorate of Defense Trade Controls and maintains an export compliance program. BUYER IS SOLELY RESPONSIBLE FOR DETERMINING AND PROVIDING TO SELLER IN WRITING, PRIOR TO PLACING AN ORDER, THE EXPORT CLASSIFICATION (USML CATEGORY OR ECCN) OF ALL TECHNICAL DATA, DRAWINGS, SPECIFICATIONS AND ITEMS FURNISHED TO SELLER AND OF THE RESULTING PRODUCTS, together with any applicable license, agreement, exemption or exception and any destination or end-use restriction. Absent a written classification from Buyer, Seller may treat items as EAR99 and shall bear no liability arising from Buyer's failure to classify, misclassification, or failure to disclose a restriction. Buyer shall not export, re-export, transfer, or provide access to Products or related technical data in violation of the ITAR, the EAR, OFAC sanctions, or any applicable law, and shall indemnify and hold Seller harmless from any resulting fine, penalty, loss or expense. Seller may suspend or refuse performance, without liability, where required to maintain compliance with export control law.

22. **Counterfeit Parts.** Seller procures components from original component manufacturers and from franchised or authorized distributors wherever available, and maintains a counterfeit part prevention process consistent with SAE AS5553 principles and QMS-SOP-039. WHERE BUYER DIRECTS, APPROVES, REQUESTS OR REQUIRES PROCUREMENT FROM AN INDEPENDENT DISTRIBUTOR, BROKER, OR OTHER NON-AUTHORIZED SOURCE, OR WHERE BUYER SUPPLIES COMPONENTS ON CONSIGNMENT, BUYER ASSUMES ALL RISK OF COUNTERFEIT, SUSPECT COUNTERFEIT, NONCONFORMING, RECLAIMED, REMARKED OR NON-AUTHENTIC PARTS, and the warranty in Section 13 does not apply to such parts or to any assembly incorporating them. Authentication and screening services are available at Buyer's expense and, when performed, reduce but do not eliminate risk and do not constitute a guarantee of authenticity.

23. **Records Retention; Right of Access.** Seller shall retain records of 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 ten (10) years where required by 14 CFR 145.223(b) for civil aviation products, or such other period as agreed in writing. Buyer, Buyer's customer and applicable regulatory authorities shall have right of access to Seller's facility, applicable records, and processes relating to the Products, upon reasonable prior written notice and during normal business hours, subject to Seller's site security and safety rules, to applicable export control restrictions, and to Seller's confidentiality obligations to its other customers. Audits beyond one (1) per calendar year, and audits requested by Buyer's customer, are subject to Seller's standard audit support charge.

24. **Component Availability, Allocation, End of Life and Last-Time Buy.** Seller shall not be liable for any delay or failure to deliver caused by component allocation, shortage, discontinuance, extended lead time, or the failure or default of a component supplier. Upon receipt of an end-of-life or product change notification affecting a component, Seller shall notify Buyer and may require Buyer to make a last-time-buy commitment within the timeframe imposed by the component supplier; Buyer's failure to commit within that timeframe relieves Seller of any further obligation to supply the affected Products. Buyer is responsible for the cost of qualification, requalification, testing and documentation of any alternate component, and for all material rendered excess or obsolete by an end-of-life event, in accordance with Section 8.

25. **Regulatory Compliance and Declarations.** Seller transmits to Buyer, without independent verification or testing, the RoHS, REACH, TSCA, conflict minerals (CMRT), PFAS, and country-of-origin declarations received from its component suppliers. SELLER DOES NOT INDEPENDENTLY TEST FOR RESTRICTED SUBSTANCES AND MAKES NO WARRANTY OR REPRESENTATION AS TO SUCH DECLARATIONS BEYOND THEIR ACCURATE TRANSMISSION. Buyer is responsible for determining the regulatory requirements applicable to the finished assembly and its end application, for any product certification, marking, listing or approval (including UL, CE, UKCA, FCC and FAA/PMA where applicable), and for compliance of the end product with the law of the jurisdiction of sale or use. Where Buyer identifies a specific statutory or regulatory requirement in writing prior to quotation, Seller will flow that requirement down to its suppliers.

26. **Force Majeure.** Seller shall not be liable for any delay in or failure of performance caused by circumstances beyond its reasonable control, including without limitation acts of God, fire, flood, severe weather, earthquake, epidemic or pandemic, war, terrorism, civil unrest, riot, act of government, change in law, embargo, sanction, tariff, customs delay, cyber incident or ransomware, utility or telecommunications failure, transportation delay, lockout, strike, slowdown or other labor dispute, shortage or unavailability of components, materials, energy or transportation, or the failure, delay or default of a supplier. Seller may allocate available Products and components among its customers in any manner it deems fair and reasonable. The time for performance shall be extended by the period of the delay. Where the delay exceeds ninety (90) days, either party may cancel the affected undelivered quantities upon written notice, subject in all cases to Buyer's obligations under Section 8.

27. **Termination.** Seller may suspend performance or terminate any order, in whole or in part, immediately upon written notice, if Buyer: (a) fails to make any payment when due; (b) breaches any material obligation and fails to cure within ten (10) days of notice; (c) becomes insolvent, makes an assignment for the benefit of creditors, or has a proceeding under any bankruptcy or insolvency law commenced by or against it; or (d) fails to provide security requested under Section 3. Upon any such termination all amounts owed to Seller become immediately due, and Buyer's obligations under Section 8 apply.

28. **Insurance.** Seller maintains commercial general liability, products and completed operations liability, automobile liability, and workers' compensation insurance in amounts customary for its industry, and will furnish a certificate of insurance upon written request. Seller does not agree to name Buyer as an additional insured, to provide a waiver of

subrogation, or to make its coverage primary and non-contributory, absent a separate writing signed by an authorized officer of Seller.

29. **Indemnification.** Seller shall indemnify and hold Buyer harmless from third-party claims for bodily injury or damage to tangible property to the extent directly caused by Seller's negligent manufacture of the Products, subject in all respects to the limitations in Section 15. Buyer shall defend, indemnify and hold Seller harmless from and against any claim, loss, damage, cost or expense (including reasonable attorney fees) arising out of or relating to: (a) Buyer's design, drawing, specification, process instruction or direction; (b) Consigned Material or Buyer-directed component sources; (c) Buyer's export classification, licensing, or downstream disposition of Products or technical data; (d) Buyer's integration, application, marketing or end use of the Products; (e) any recall or field action within Section 16; (f) any high-risk or critical application within Section 17; and (g) intellectual property claims within Section 19.

30. **Compliance with Laws; Business Conduct.** Each party shall comply with all applicable federal, state, local and foreign laws and regulations, including those relating to anti-bribery and anti-corruption, competition, trade control and sanctions, labor and employment, occupational safety and health, non-discrimination, forced and child labor, human trafficking, and environmental protection. Neither party shall offer or accept any improper payment, gift or advantage in connection with these Terms. Seller maintains a compliance program and will make its policies available on request.

31. **Governing Law; Venue.** These Terms and all orders shall be governed by and construed in accordance with the laws of the State of Michigan, including its 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. The exclusive venue for any action arising out of or relating to these Terms shall be the state courts of Wayne County, Michigan, or the United States District Court for the Eastern District of Michigan, and each party irrevocably submits to the jurisdiction of those courts and waives any objection based on forum non conveniens. EACH PARTY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY SUCH ACTION.

32. **General Provisions.** Buyer may not assign any order or any right or obligation under these Terms without Seller's prior written consent; any purported assignment without consent is void. These Terms are for the benefit of the parties only and create no rights in any third party, including Buyer's customers. If any provision is held invalid, illegal or unenforceable, the remainder shall remain in full force and effect and the parties shall substitute a provision of like economic intent. No waiver of any breach shall be a waiver of any other or continuing breach, and no waiver is effective unless in writing signed by the waiving party. Notices shall be in writing and delivered to the address on the face of Seller's acknowledgment. Sections 3, 4, 8, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 29, 31 and 32 survive termination or expiration. Orders and acknowledgments transmitted electronically or by EDI are valid and enforceable, and these Terms govern them notwithstanding any terms embedded in the electronic medium. In the event of conflict, the order of precedence is: (a) a written agreement signed by authorized representatives of both parties; (b) Seller's order acknowledgment; (c) Seller's quotation; (d) these Terms; (e) the face of Buyer's purchase order as to part number, quantity, price and delivery date only. These Terms, together with Seller's quotation and acknowledgment, constitute the entire agreement and supersede all prior or contemporaneous proposals, negotiations and understandings.

— END OF QMS-SOP-035 REV 01 —