

INNOVATIVE PRECISION



INTELLIGENT MACHINING SOLUTIONS

Purchase Order Terms and Conditions

1. **ACCEPTANCE; MODIFICATION:** By accepting this PO the supplier accepts the following terms and conditions. Any modification to these T&C's must be agreed to in writing. Any modification to previously agreed upon pricing must be made in writing and agreed upon by both the buyer and the supplier. Revision is subject to change, supplier shall verify current revision with each Purchase Order.
2. **INSPECTION OF GOODS/NON-CONFORMING GOODS:** IP may inspect the goods purchased on this purchase order within a reasonable time after delivery. If non-conforming goods are provided to IP by supplier, IP may either return the non-conforming goods to the supplier at the suppliers risk for rework or replacement or cancel the purchase order as default. Supplier must pay all freight on rejected goods. If required, source inspection shall be indicated on the IP Purchase Order. IP must be notified in writing of any goods found non-conforming by supplier and may only proceed with re-work/replacement with written authorization from IP. The requested material spec and/or material designation must be certified as noted above. No substitutions are acceptable unless prior approval is given in writing. If the specific material is not available and other material is considered "comparable", approval in writing must be given prior to shipping.
3. **RECORD RETENTION:** Supplier shall retain quality records for a minimum of (20) years from date of shipment. Quality records include the following but not exhaustive list: Certificates of Conformity, Test Reports, Raw Material Certifications (when applicable), Special Process Certifications, Route Cards/Travelers, Calibration Records. When records contain sensitive information (such as design detail, proprietary info, ITAR restricted info, etc.), they shall be disposed by irreversible destruction methods such as shredding, or "erasure"/reformatting for electronic/magnetic media.
4. **RIGHT OF ENTRY:** IP and its suppliers, customers and regulatory agencies reserve the right of entry to any facility necessary to determine and verify the quality of contracted work, records and materials.
5. **SUB-TIER SUPPLIERS:** The supplier shall not outsource any service to a sub-tier supplier without written authorization from IP.
6. **APPLICABLE LAW:** This Purchase Order shall be governed by the laws of the State of Utah as such laws are applied to contracts between residents entered into and to be performed entirely within the State of Utah.
7. **CONFLICT MATERIALS:** Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries").

Accordingly, Supplier commits to comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Supplier commits 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 Goods it provides Buyer; (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. Supplier shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

8. ANTI-HUMAN TRAFFICKING/MODERN SLAVERY ACT: Supplier represents and warrants that neither Supplier, nor any of its agents or subcontractors, has: (i) committed a violation of any applicable statute aimed at mitigating or preventing Human Trafficking, including but not limited to, the United States Federal Acquisition Regulation (FAR) 52.222.50, the California Transparency in Supply Chain Act, the United Kingdom Modern Slavery Act, the Trade Facilitation & Trade Enforcement Act of 2015 (the "Human Trafficking Laws"); (ii) been notified that it is subject to an investigation relating to an alleged Human Trafficking Law violation; nor (iii) been made aware of any circumstances in its supply chain that could give rise to an investigation relating to a Human Trafficking Law violation. Supplier agrees that it shall: (i) comply with all applicable provisions of the Human Trafficking Laws and any Human Trafficking Laws reporting/disclosure statement requirements; (ii) notify Buyer in writing promptly if it becomes aware or has reason to believe that it or any of its agents or subcontractors have breached or potentially breached the Human Trafficking Laws; (iii) respond promptly to any Buyer requests for Human Trafficking Law questionnaire completion and/or certification; (iv) permit and cooperate with any Human Trafficking Law compliance audit of Supplier and/ or its agents or subcontractors (whether announced or unannounced) conducted by Buyer or an independent third party on Buyer's behalf; and (v) flow down the requirements of this Human Trafficking Law section to any of its agents and subcontractors or sub-suppliers performing work under this order. If notice of a violation to Buyer becomes necessary, such notice shall set out full details of the circumstances concerning the breach or potential breach of Supplier's obligations. Any Human Trafficking Law violation or breach of this paragraph by Supplier or its agents or subcontractors shall be deemed a material breach of this Order and shall entitle Buyer, at its option, to immediately terminate this Order in accordance with paragraph 21 "Termination for Default" herein.
9. COUNTERFEIT GOODS PREVENTION: (a) Supplier represents and warrants that Counterfeit Goods are not contained in Goods delivered to Buyer through the implementation of policies that include prevention, detection and risk mitigation methods to protect against the use of Counterfeit Goods. (b) In the event Supplier becomes aware or suspects that it has furnished Counterfeit Goods, it shall immediately notify Buyer. When requested by Buyer, Supplier shall provide (if available) Authorized Supplier documentation that authenticates traceability of the parts to the applicable Authorized Supplier. (c) In the event that Goods delivered under this Order are, or include, Counterfeit Goods, Supplier shall promptly investigate, analyze and report in writing to Buyer whether such Counterfeit Goods should be replaced with genuine Goods conforming to the requirements of this Order, or whether an alternative solution is

recommended to meet the Order requirements at Supplier's sole expense. The parties shall then agree upon the appropriate course of action. (d) Supplier shall include this clause or reasonably equivalent provisions in all subcontracts for the delivery of Goods that will be furnished to or included in Goods furnished to Buyer.