

## **Quality Clauses, Terms and Conditions**

Buyer is Taber Industries and Seller is the legal entity that is the contracting party with Buyer with respect to this order.

### **A) General Terms and Conditions (The requirements in this section apply to ALL purchase orders)**

**095 Precedence** In the event of conflicts among any referenced documents, the following order of precedence shall apply: (1) Purchase Order, (2) Buyer drawing(s), and (3) other referenced documents.

**100 Warranty** Seller warrants all products furnished and work performed hereunder shall be free from all defects in material and workmanship and shall conform to drawings and specifications. The warranties of Seller together with Seller's service warranties shall run to Buyer and its customers. All warranties shall remain in effect as to each item of material and as to each item assembled, furnished, serviced or repaired hereunder for a period of one (1) year after acceptance at destination.

**101 Manufacturing and Sub-Tier Flow Down** Seller to furnish all material unless otherwise noted on this order. Seller to fabricate complete to latest applicable drawings and specifications if supplied with this order. All articles ordered to Buyer's specifications, quality clauses, terms and conditions shall comply with such specifications, quality clauses, terms and conditions current as of the date of this order unless otherwise specified by Buyer.

Seller shall flow down all applicable purchase order requirements to sub-tier suppliers including any key data.

**102 Delivery** Except as hereinafter specified, delivery shall be in accordance with the delivery schedule set out, or referred to, in the procurement documents. When Seller has reason to believe that deliveries will not be made as scheduled, written notice setting forth the cause of the anticipated delay shall be given immediately to Buyer.

Back orders or partial shipments are not acceptable without prior Buyer approval.

**103 Packaging and Marking** Seller shall prepare and pack the articles to prevent damage and deterioration and to comply with carrier tariffs and Buyer's specifications. Packaging shall be marked with the necessary handling instructions, purchase order number, buyer's name and address. Damage to any articles resulting from improper packaging will be charged to Seller.

**104 Inspection** Buyer, Buyer's customers and/or any Regulatory Authorities each reserve the right to inspect and/or test any or all work included in this order at Seller's facility or at Seller's sub-tier supplier at all times and places, including the period of manufacture. Seller shall provide all reasonable access to facilities, applicable documents and records involved in this order.

All articles are subject to final inspection and acceptance at Buyer's facility notwithstanding any payments or other prior inspections, it being specifically agreed that payment shall not constitute final acceptance.

**105 Non-Conforming Product** Non-conforming products and/or materials are to be identified and segregated for review and disposition. Seller shall notify Buyer of any variances at earliest time possible. Shipment of product that fails to conform to Buyer specifications is prohibited without written authorization from Buyer.

Non-conforming products and/or materials may be returned at Seller's risk and expense at full invoice price plus applicable incoming transportation charges. No replacement of non-conforming material shall be made unless specified and/or approved by the Buyer.

## **Quality Clauses, Terms and Conditions**

- 106 Changes** Seller shall not change any drawing, process, material (including sub-tier supplier parts), or procedure without prior Buyer written approval, if such a drawing, process, material, or procedure was previously approved by Buyer as provided for in the procurement document.
- Seller shall not use nor relocate any production, manufacturing, and/or processing facilities to differ from previous approval by Buyer, during performance of work specified in the procurement document, without previously notifying Buyer and offering Buyer an opportunity to examine such facilities or compliance with procurement Quality requirements.
- Seller shall make no changes in price, terms, or quality without Buyer's written consent.
- 107 Drawings, Documents and Proprietary Information** Seller shall protect from unauthorized disclosure all information obtained from Buyer in connection with this order. Unless otherwise expressly authorized by Buyer, Seller shall use such information and any information provided by Buyer thereafter, only in the performance of and for the purpose of this order. Upon Buyer's request, Seller shall promptly return all such information to Buyer or make such other disposition thereof as directed by Buyer.
- 108 Subcontracting** Seller agrees to obtain Buyers approval before subcontracting this order or any substantial portion thereof.
- 109 Compliance with Laws** In the performance of this order, Seller shall comply with all international, federal, state and local laws and regulations.
- 110 Cancellation** Buyer reserves the right to cancel all or any part of the undelivered portion of this order without penalty to the Buyer if Seller does not make deliveries as provided in this contract or if Seller breaches any of the terms hereof, including the warranties of Seller.
- 111 Chemicals** All chemical shipments shall comply with appropriate EPA, RCRA, OSHA, and DOT requirements for safe transportation, labeling (smallest unit containers and outer packaging), special or unusual handling requirements, and spill instructions. A copy of the MSDS, if applicable, shall be provided with each shipment.
- 112 Patent Indemnity** Seller agrees to indemnify Buyer against any liability, including costs and expenses, for or by reason of any asserted patent infringement arising from the manufacture, use or sale of any articles furnished to the Buyer under this purchase order.
- 113 Reservation of Rights** Any failure of Buyer to insist in any one or more instances, upon the performance of any of the terms, covenants, or conditions set forth herein shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, but Seller's obligation with respect to future performance shall continue in full force and effect. The invalidity in whole or in part of any condition of this order shall not affect the validity of other conditions hereof.

## **Quality Clauses, Terms and Conditions**

### **B) Special Quality Clauses (Apply ONLY when expressly specified by clause number on purchase order)**

**200 Certification of Conformance** Each shipment shall be accompanied by a signed and dated certification from the Seller indicating the product meets requirements of all applicable drawing, specifications, standards and purchase order. It shall include at a minimum the Buyer's purchase order number, Buyer's part number, Seller's part number (if applicable), and quantity from each lot/batch.

**200A Certification of Conformance and Traceability Information** Include Clause 200 and supply at least one of the following: lot/batch, date code, work order, job number, or manufacturing date. As applicable, it shall include the current revision, serial number(s), heat number(s), and/or shelf life/expiration date.

Additionally, if the Seller is NOT the original manufacturer of the product, then the Seller shall provide the Buyer with a copy of the original manufacturer's certificate of conformance that includes at a minimum the manufacturer's part number, quantity from each lot/batch and at least one of the following: lot/batch, date code, work order, job number, or manufacturing date.

For metal bar stock, Seller shall mark one end with heat number, material type, condition and Purchase Order number. If bar end is not practical for marking, Seller shall attach a tag with the heat number, material type, condition and Purchase Order number to one end of the material.

**201 Shelf Life Certification** Products shall have at least 75% of the usable shelf life available when delivered. Expiration and/or manufacturing date shall be physically marked on product, certificate, or packaging.

**202 Chemical and Physical Test** Each shipment shall be accompanied by a copy of the original test report containing quantitative data for the chemical analysis or physical properties, as applicable, for the material supplied or used in the manufacture of the product.

**203 Electrostatic Discharge Protection** Seller shall document and implement an ESD Control Program in accordance with ANSI/ESD S20.20, Electrostatic Discharge Protection of Electrical and Electronic Parts, Assemblies and Equipment. Parts must be properly packaged and identified as required in ANSI/ESD S20.20. All electrostatic sensitive goods will be placed in conductive or static-dissipate packages, tubes, carriers, conductive bags, etc., for shipment. The packaging must be clearly labeled to indicate that it contains electrostatic sensitive goods. Electrical parts that may be used or shipped in conjunction with ESD sensitive parts shall be treated as ESD sensitive.

**204 First -Article Inspection** A First Article product shall be produced using production tooling, processing and methods. The First Article product shall be delivered to Buyer with all applicable physical and performance data for inspection. Acceptance of the First Article by Buyer shall be based on the requirements of this purchase order.

Any costs expended by Seller for quantity production prior to Buyer acceptance of the First Article are at the exclusive risk of Seller.

Acceptance of the First Article by Buyer shall not be considered acceptance of subsequent parts.

**205 Test Specimens** Seller shall submit specimens of material or products to Buyer for design approval, inspection or investigation as specified in the purchase order.

Acceptance of the test specimens shall NOT be considered acceptance of subsequent parts.

## **Quality Clauses, Terms and Conditions**

**206 Priority Rated Order** This is a rated order certified for national defense use, and Seller is required to follow all the provisions of the Defense Priorities and Allocations System (DPAS) regulation (15 CFR 700).

The Seller is required to deliver articles by the specified required delivery date as shown on this order.

**207 Part Freshness** No parts with a date code more than 48 months old from date of shipment will be accepted without Buyer's written consent.

**208 Single Lot / Date Code** All parts delivered against a single purchase order must be from a single lot / date code.

**209 Domestic Specialty Steel Requirement** Must be melted and manufactured in the United States of America. Heat number must be identified on bar. Certificate of Conformance and chemical analysis report stating heat number, manufacturer and melt origin required (See Quality Clause 200A and 202). If these requirements cannot be met, please contact Buyer with possible alternatives.

**210 Supplier Record Retention Clause** Supplier records established that provide evidence of conformity for Taber purchase order requirements shall be controlled as per the quality systems requirements of ISO 9001:2008 for a retention time period stated within the Taber purchase order or a minimum of 10 years, whichever time period is longer.

**211 Conflict Minerals Disclosure Clause** Seller will disclose whether products and/or materials furnished hereunder contain any conflict minerals as defined under Section 1502 of the U.S. Dodd-Frank Act and its implementing regulations (collectively the "Conflict Minerals Law") that are necessary to the production or functionality of such products and/or materials ("Conflict Minerals"). Seller shall have a due diligence process in place to determine if any of its products and/or materials contain Conflict Minerals.

If the products and/or materials furnished hereunder contain any Conflict Minerals, Seller must: (i) assure that those Conflict Minerals are "DRC conflict-free" (as defined in the Conflict Minerals Law); (ii) provide on request such other information as Buyer may reasonably require, including responding to reasonable inquiries from Buyer or its representatives, to determine the DRC conflict-free status of Conflict Minerals used in such products and/or materials; (iii) adopt policies and management systems consistent with Buyer's Conflict Minerals Policy located at [www.taberindustries.com](http://www.taberindustries.com); and (iv) require its suppliers to adopt similar policies and systems.