

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

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

### **A) General Terms and Conditions**

**(The requirements in this section apply to ALL purchase orders)**

**050 Acceptance** The Purchase Order constitutes Taber offer to Seller and is a binding contract on the terms and conditions set forth herein when it is accepted by Seller either by Taber receipt of the acknowledgment copy of the Purchase Order, acceptance of any payment by Taber, or the commencement of performance by Seller. The Purchase Order does not constitute an acceptance by Taber of any offer to sell, quotation or proposal. By acceptance of the Purchase Order, Seller agrees to be bound by and to comply with all the terms and conditions contained herein. No term, condition, amendment or revision stated by Seller in accepting this Purchase Order shall be binding upon Taber if it is in conflict with, inconsistent with or in addition to the terms and conditions outlined herein, unless accepted by Taber in writing.

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

**097 Price & Taxes** Prices specified in the Purchase Order shall not be subject to change without the prior written approval of Taber. Seller's total price shall be deemed to include all federal, state and local sales, use, VAT, excise, privilege, payroll, occupation and other taxes, as well as all import and export duties and tariffs, applicable to the products furnished under the Purchase Order, unless stated otherwise on the face of the Purchase Order. No extra charges of any kind will be paid to Seller by Taber unless agreed to by Taber in writing.

**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 flow to Taber 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 Taber 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 Taber.

Seller shall provide the Manufacturer's/Authorized Distributor Certificate of Conformance(s) for each item shipped. Seller shall include the identification of all of the intermediaries from the manufacturer to the direct source of the product for the Seller. 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 Taber.

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

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

**104 Inspection** Taber, Taber'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 Taber'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 Taber of any variances at earliest time possible; this includes variances identified after P.O. fulfillment. Shipment of product that fails to conform to Taber specifications is prohibited without written authorization from Taber.

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 Taber.

**106 Changes** Seller shall not change any drawing, process, material (including sub-tier supplier parts), or procedure without prior Taber's written approval, if such a drawing, process, material, or procedure was previously approved by Taber 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 Taber, during performance of work specified in the procurement document, without previously notifying Taber and offering Taber an opportunity to examine such facilities for compliance with procurement Quality requirements.

Seller shall make no changes in price, terms, or quality without Taber's written consent.

**107 Drawings, Documents and Proprietary Information** Seller shall protect from unauthorized disclosure all information obtained from Taber in connection with this order. Unless otherwise expressly authorized by Taber, Seller shall use such information and any information provided by Taber thereafter, only in the performance of and for the purpose of this order. Upon Taber's request, Seller shall promptly return all such information to Taber or make such other disposition thereof as directed by Taber.

**108 Subcontracting** Seller agrees to obtain Taber's approval before subcontracting this order or any substantial portion thereof. Seller shall use Taber's designated or approved external providers when they are specified on the Purchase Order.

**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** Taber reserves the right to cancel all or any part of the undelivered portion of this order without penalty to Taber 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.

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- 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 SDS, if applicable, shall be provided with each shipment.
- 112 Patent Indemnity** Seller agrees to indemnify Taber 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 Taber under this purchase order.
- 113 Reservation of Rights** Any failure of Taber 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.
- 114 Quality System** Seller shall maintain a documented quality system compliant with AS9100, ISO9001, ISO17025, or equivalent. The Seller shall supply products in accordance with their quality system. The Seller is required to ensure that their employees are aware of their contribution to product conformity, product safety, the importance of ethical behavior.
- 115 Metrology System** Seller shall maintain a documented metrology system compliant to ISO17025, ANSI Z540.1, and/or ANSI Z540.3 for the calibration of measuring and test equipment for equipment certifications, standards and/or calibrations services. The Seller is required to supply services in accordance with their metrology system.

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### **B) Special Quality Clauses**

**(Apply ONLY when expressly specified by clause number on purchase order)**

**200 Certification of Conformance (CoC)** 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. The CoC shall include at a minimum:

- Taber Purchase Order Number
- Taber Part Number
- Seller's Part Number (if applicable)

**200A Certification of Conformance (CoC) and Full Traceability Information (Counterfeit Prevention)** Each shipment shall be accompanied by a signed and dated certificate from the Seller indicating the product meets requirements of all applicable drawing, specifications, standards and purchase order. For Electrical, Electronic & Electro-mechanical (EEE) parts the CoC shall include Lot Number(s) and Date Code(s) for each part.

The signed Seller CoC shall include at a minimum:

- Taber Purchase Order Number
- Taber Part Number(s) & Current Revision
- At least ONE of the following:
  - Lot Number(s) & Quantity for each Lot Number (Required for EEE Parts)
  - Date Code(s) & Quantity for each Date Code (Required for EEE Parts)
  - Work/Job Order Number(s) & Quantity for each Work/Job Order
  - Manufacturing Date(s) & Quantity for each Date
- And ANY of the following as applicable:
  - Seller's Product Number(s) & Revision(s)
  - Serial Number(s)
  - Metal Heat Number(s)
  - Shelf Life/ Expiration Date(s)

Additionally, if **Seller is NOT the Original Equipment Manufacturer (OEM)** of the product, then the Seller shall provide Taber with a copy of the OEM's CoC, identifying the Seller as the recipient.

The signed OEM CoC shall include at a minimum:

- Seller's Name
- OEM Product Number(s)
- At least ONE of the following:
  - OEM Lot Number(s) & Quantity for each Lot Number (Required for EEE Parts)
  - OEM Date Code(s) & Quantity for each Date Code (Required for EEE Parts)
  - OEM Work/Job Order Number(s) & Quantity for each Work/Job Order
  - OEM Manufacturing Date(s) & Quantity for each Date
- And ANY of the following as applicable:
  - Product Number(s) & Revision(s)
  - Serial Number(s)
  - Metal Heat Number(s)
  - Shelf Life/ Expiration Date(s)

200A (Continued on next page)

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### *200A CoC and Counterfeit Prevention (Continued from previous page)*

Furthermore, if **Seller procured the product from a source other than the OEM**, then the Seller shall provide documentation, through an unbroken chain of CoC's ensuring the Seller's supplier(s) are Authorized Distributors of the OEM for the product provided. Each intermediary supplier shall provide their own signed CoC identifying their company name, location and product traceability as defined in the OEM CoC above.

For Metal Bar Stock, in addition to the signed Seller CoC, the Seller shall mark one end of the bar (if bar end is not practical for marking, Seller shall attach a tag with the required information to one end of the bar stock material) with the following information at a minimum:

- Taber Purchase Order number
- Heat Number
- Material Type
- Condition

If Seller cannot provide the required documentation stated above, Seller shall notify Taber immediately. Seller shall not ship product without required documentation.

**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. If this requirement cannot be met, Seller shall contact Taber with possible alternatives.

**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 Taber with all applicable physical and performance data for inspection. Acceptance of the First Article by Taber shall be based on the requirements of this purchase order. Acceptance of the First Article by Taber shall NOT be considered acceptance of subsequent parts.

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

**205 Test Specimens** Seller shall submit specimens of material or products to Taber 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.

**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.

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- 207 Part Freshness** No parts with a date code more than **48** months old from date of shipment will be accepted without Taber's written consent. If this requirement cannot be met, Seller shall contact Taber with possible alternatives.
- 208 Single Lot / Date Code** All parts delivered against a single purchase order must be from a single Lot Number and/or 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, Seller shall contact Taber with possible alternatives.
- 210 Supplier Record Retention Clause** Supplier records established that provide evidence of conformity for Taber purchase order requirements shall be retained and retrievable for a 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 Taber may reasonably require, including responding to reasonable inquiries from Taber 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 Taber's Conflict Minerals Policy located at [www.TaberIndustries.com](http://www.TaberIndustries.com); and (iv) require its suppliers to adopt similar policies and systems.

- 212 REACH, Substances of Very High Concern (SVHC) Disclosure Clause** Seller will disclose whether products and/or materials furnished hereunder are included on the REACH, REACH Annex XVII, and the REACH SVHC Lists as amended at the time of any order. *[For further details please refer to COMMISSION REGULATION (EC) No 552/2009; of 22 June 2009 amending Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). REACH SVHC 2009622(EC) No 552/2009(EC) No 1907/2006.]*

Seller shall have a process in place to determine if any of its products and/or materials are listed as REACH/SVHC substances.

If the products and/or materials furnished hereunder contain any REACH/SVHC substances, Seller must: (i) assure that those REACH/SVHC substances are properly registered (as defined in the COMMISSION REGULATION (EC) No 552/2009); (ii) provide the relevant SDS sheets for those substances.