

Tomco Machining

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TERMS AND CONDITIONS:

Section 1 - ACCEPTANCE: Such Purchase Order for the delivery of goods or services shall not be binding unless Tomco Machining receives written acknowledgement by Seller. Tomco Machining reserves the right to withdraw its offer made any time prior to acceptance by the Seller within two (2) business days of receipt of such Purchase Order.

Section 2 - DELIVERY: Unless otherwise provided, the Seller shall deliver such goods or services on or before the designated Delivery Date. Tomco Machining shall accept Seller's shipments that are five- (5) business day in advance of the stated Delivery Date unless otherwise agreed to by the parties. Seller's deliveries in advance of five (5) business days prior to the Delivery Date may be returned to Seller at Seller's expense or may be held by Tomco Machining with payment deferred until after the scheduled date of delivery plus storage costs.

Section 3 - QUANTITY: Tomco Machining shall only be responsible to purchase authorized quantities of fabricated components, raw materials or services. Tomco Machining reserves the right to return material shipped in excess of the stated quantities of the Purchase Order for full credit at Seller's expense. In the event Tomco Machining issues the Seller a Long-Term Requirements Agreement, Tomco Machining shall only be responsible to purchase the most immediate ninety- (90) day forecast of requirements. The forecasted demand past ninety - (90) days is subject to change or cancellation and for planning purposes only.

Section 4 - QUALITY INSPECTION AND REJECTION: All material is subject to inspection by Tomco Machining. Tomco Machining may reject the total or any part of a shipment that is non-conforming. All defective material resulting in a rejection may be returned to the Seller at the invoice price, the Seller will bear transportation charges and packing costs. Seller shall be responsible for damages incurred by Tomco Machining due to the rejection of materials or services. Such damages shall include but not limited to the costs to resource the materials or services, cost of Tomco Machining' Customer cancellation of the order that creates the demand for the goods or services described herein.

Section 5 - INVOICES AND PAYMENTS: Unless otherwise provided in this order, Tomco Machining shall not issue payment(s) prior to delivery. Payment terms shall commence from the later of, the date of receipt of acceptable materials or services by Tomco Machining or the date of a correct invoice. Unless freight and other charges are itemized, any discounts taken will be at the full amount of the invoice. Any Payment discounts will be figured from the later of, the date of receipt of a correct invoice or acceptance of material. All payments are subject to adjustment for shortages, rejections or Tomco Machining' right of offset for amounts Seller owes Tomco Machining.

Section 6 - PACKAGING AND TRANSPORTATION: Seller shall prepay and add to invoice all F.O.B. shipping point charges. Seller shall suitably pack, mark and ship all materials in accordance with the requirements this Purchase Order and Common Carriers so as to secure the lowest transportation charges. Tomco Machining will not pay expedited shipping charges, unless authorized. At the Seller's expense, Seller shall pay for overnight shipping charges for deliveries that are past the Delivery Date, unless the parties otherwise agree. No additional charges shall be made to Tomco Machining unless stated herein. No charges shall be made for packing, boxing, drayage, or storage unless authorized by Tomco Machining in writing. Seller shall properly mark packages with Tomco Machining' purchase order number and address as specified by such Purchase Order. The Purchase Order numbers and package numbers shall be shown on packing slips, bills of lading and invoices.

Section 7 - TOOLING OR PATTERNS: Seller shall detail any tooling or pattern charges associated with the Purchase Order. Seller shall return such tooling or patterns to Tomco Machining with the delivery of the goods or services described by such Purchase Order unless Tomco Machining authorizes the Seller to retain the tooling or patterns at their facilities. If Tomco Machining authorizes, in writing, the Seller to retain such tooling or patterns, Seller shall maintain such tooling or patterns in good workman like condition, **SHALL NOT USE SUCH TOOLING OR PATTERNS FOR ANY THIRD PARTY WITHOUT PRIOR WRITTEN PERMISSION FROM TOMCO MACHINING**, and have such tooling or patterns available for Tomco Machining' inspection, at anytime.

Section 8 - WARRANTIES: Seller acknowledges Tomco Machining' reserves all right and remedies available under the Uniform Commercial Code, including, but not limited to the remedies of rejection, revocation of acceptance, express warranties, the implied warranties of title, or merchantability, of fitness for a particular purpose, and against infringements as well as the right to sue the Seller for contractual damage.

Section 9 - COST ANALYSIS: Tomco Machining', at anytime, has the right to request the detailed elements of the Seller's costs associated with this Purchase Order. Seller shall furnish to Tomco Machining within, ten (10) business days, such requested detailed elements of costs. Any request for price increases by Seller shall be accompanied by itemized elements of cost.

Section 10 - CHANGES: Tomco Machining, at anytime by written notice, make changes within the general scope of this order to drawings and specifications, shipping instructions, quantities and delivery schedules. Price changes require prior approval of Tomco Machining. In the event Tomco Machining terminates such Purchase Order, except for reason defined in Section 11, Tomco Machining shall only pay for Sellers' documented direct cost of material and labor for actual work performed on such Purchase Order. Such payment shall be Seller's sole recourse pursuant to this Purchase Order. Tomco Machining reserves the right to receive any material paid for by Tomco Machining associated with the termination of this Purchase Order.

Section 11 - Performance Obligations: In the event of Seller's failure to deliver acceptable quality and on time deliveries, Tomco Machining reserves the right to cancel such Purchase Order, stop all purchases or payments until the receipt of acceptable quality, return all existing material and consider the Purchase Order cancelled without accepting any liability for Sellers' manufactured parts, tooling, patterns or any other items related to the Purchase Order. In the event Seller scraps or destroys Tomco Machining' furnished material, tooling or patterns, Seller shall reimburse Tomco Machining for such material. Seller shall be responsible for damages incurred by Tomco Machining due to the rejection of materials or services. Such damages shall include but not limited to the costs to resource the materials or services, cost of Tomco Machining' Customer cancellation of the order that created the demand for the goods or services described herein.

Section 12 - Record Retention: Seller agrees to retain source documentation and applicable traceability documentation, a minimum of seven (7) years from date of sale or a specified period defined on the Purchase Order.

Effective as of January 2,2020

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SUPPLIER QUALITY ASSURANCE FUNCTION REQUIREMENTS:

QC-1: THE SUPPLIER SHALL ESTABLISH AND MAINTAIN A DOCUMENTED INSPECTION AND QUALITY SYSTEM, WHICH MEETS THE REQUIREMENTS OF MIL-I-45208, unless otherwise specified to applicable ISO and/or NADCAP Requirements. THIS SYSTEM IS SUBJECT TO REVIEW AND APPROVAL BY THE COMPANY'S QUALITY ASSURANCE FUNCTION.

QC-2: THE SUPPLIER SHALL ESTABLISH AND MAINTAIN A DOCUMENTED GAGE CALIBRATION SYSTEM IN ACCORDANCE WITH MIL-STD-45662.

QC-3: ALL SERVICES AND / OR PRODUCTS MUST CONFORM TO THE LATEST REVISIONS OF THE SPECIFICATIONS LISTED ON THE PURCHASE ORDER AND APPLICABLE DRAWING. THE COMPANY WILL PROVIDE THE LATEST REVISIONS OF DRAWINGS AND SPECIFICATIONS APPLICABLE TO THE PURCHASE ORDER PRIOR TO PLACEMENT OF THE PURCHASE ORDER, AND PROVIDE ANY REVISION CHANGES TO DRAWINGS AND SPECIFICATIONS FOR THE TERM OF THE PURCHASE ORDER. REPLACING AND MAINTAINING THE LATEST REVISIONS OF DRAWINGS AND SPECIFICATIONS IS THE RESPONSIBILITY OF THE SUPPLIER. ALL DRAWINGS, SPECIFICATIONS AND REVISION LISTINGS ARE AVAILABLE UPON REQUEST FROM THE COMPANY PURCHASING DEPARTMENT.

QC-4: WHEN THE PURCHASE ORDER CONTAINS G.E.A.E. PART NUMBER AND REQUIRES SOURCE SUBSTANTIATION SPECIFICATION S-1000 PARTS II, III, IV AND ALL APPLICABLE APPENDICES APPLY, unless otherwise waived in writing.

QC-5: GOVERNMENT / CUSTOMER SOURCE INSPECTION IS REQUIRED PRIOR TO SHIPMENT FROM YOUR FACILITY. UPON RECEIPT OF THIS ORDER, CONTACT THE GOVERNMENT / CUSTOMER REPRESENTATIVE THAT SERVICES YOUR FACILITY. IF YOUR COMPANY DOES NOT HAVE ACCESS TO A GOVERNMENT / CUSTOMER REPRESENTATIVE NOTIFY THE COMPANY IMMEDIATELY SO THAT ARRANGEMENTS CAN BE MADE FOR INSPECTION.

QC-6: THIS ORDER IS CERTIFIED FOR NATIONAL DEFENSE USE, AND YOU ARE REQUIRED TO FOLLOW ALL THE PROVISIONS OF THE DEFENSE PRIORITIES ALLOCATIONS SYSTEM REGULATIONS (15 CFR 700) and/or DFAR requirements

QC-7: ANY CHANGES OR EXCEPTIONS TO THE PURCHASE ORDER MUST HAVE PRIOR WRITTEN APPROVAL FROM THE COMPANY. AUTHORIZATION MUST ACCOMPANY ALL SHIPPING DOCUMENTS.

QC-8: FIRST ARTICLE INSPECTION SHEETS WITH VARIABLE DATA REQUIRED.

QC-9: G.E. S-500 APPLIES TO THIS ORDER.

QC-10: CERTIFICATE OF CONFORMANCE REQUIRED.

QC-11: MATERIAL CERTIFICATION REFLECTING FULL SPECIFICATION TESTING REQUIRED FOR EACH MATERIAL TYPE AND HEAT LOT. MATERIAL CERTIFICATION MUST STATE CONFORMS TO ALL SPECIFICATION REQUIREMENTS.

QC-12: INDEPENDENT LABORATORY TESTING OF MATERIAL REQUIRED. (LABORATORY INDEPENDENT OF THE TESTING FACILITY ON THE CERTIFICATION). MATERIAL CERTIFICATION MUST STATE CONFORMS TO ALL SPECIFICATION REQUIREMENTS.

QC-13: MATERIAL CERTIFICATIONS FROM A G.E. APPROVED LABORATORY REQUIRED.

QC-14: ALL APPLICABLE PROCESS SHEETS REQUIRED.

QC-15: ALL NONDESTRUCTIVE TEST RESULTS REQUIRED.

QC-16: ALL FURNACE AND / OR HEAT TREAT CHARTS REQUIRED.

QC-17: DIMENSIONAL INSPECTION SHEETS REFLECTING VARIABLE DATA REQUIRED. CHARACTERISTICS NOT VERIFIABLE UPON RECEIPT, AND KEY CHARACTERISTICS DENOTED ON THE DRAWING MUST BE REFLECTED ON THE INSPECTION SHEETS.

QC-18: 100% INSPECTION REQUIRED. (DIMENSIONAL INSPECTION SHEETS REFLECTING VARIABLE DATA FOR 100% OF THE PARTS).

QC-19: ALL RAW MATERIAL MUST BE PURCHASED FROM THE APPROVED RAW MATERIAL SUPPLIERS LIST. MATERIAL CERTIFICATION MUST STATE CONFORMS TO ALL SPECIFICATION REQUIREMENTS

QC-20: CQC 103 ISSUE 6 (SUPPLIER QUALITY MEMORANDA) IS MANDATORY REQUIREMENTS OF THIS CONTRACT.

QC-21: RPS 905/1 PROCUREMENT AND CONTROL OF RAW MATERIALS FOR MANUFACTURE OF COMPONENTS, AND THE 3 DIGIT ALPHA CODE APPLY TO THIS CONTRACT.

QC-22: RIGHT OF ENTRY: TOMCO MACHINING AND TOMCO MACHINING CUSTOMER OR REGULATED AGENCIES HAS THE RIGHT OF ENTRY TO ANY PLACE NECESSARY TO DETERMINE AND VERIFY THE QUALITY OF CONTRACTED WORK, RECORDS AND MATERIAL.

QC-23: Record Retention: The Supplier is responsible for applicable Record Retention of Source Documentation and applicable traceability Documents for a minimum of seven (7) years from date of sale unless otherwise defined on Tomco's Purchase Order.

QC-24: Supplier Quality System: The Supplier's Quality System shall address counterfeit materials/parts, ethical behavior, product safety and foreign object debris / detection / defects (FOD).

Effective as of January 2,2020