

LK Precision LLC, PURCHASE ORDER TERMS AND CONDITIONS

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1. **GENERAL:** This Purchase Order, including any documents incorporated herein by reference, contains the entire agreement between the parties. The terms and conditions set forth on the PO as indicated by referencing the number of the T&C as listed on this form are the only terms and conditions applicable hereto. Any attempt by Seller to supplement, modify, alter, revoke, or amend these terms and conditions or any part of this PO shall not be effective unless specifically agreed to by the Purchaser in writing.
In this contract, the "Seller" is the party providing a product or service to the "Purchaser", who in this case would be LK Precision, LLC. The "Customer" is the party that purchases the finished machined products from the "Purchaser" and whose products follow blueprints, operation sheets, and aerospace requirements.
2. **WARRANTY OF MATERIAL:** Seller warrants to Purchaser and its Customers that the articles specified herein shall be free from defects in material and workmanship and shall conform to the requirements of this order. All materials shall be received subject to inspection and test. Rejected articles will be returned at Seller's expense and adjustments made either by credit or replacements at Purchaser's discretion.
3. **CHANGES:** The Purchaser shall have the right to make changes from time to time, subject to an equitable adjustment of the price. No modification of this order shall be binding upon Purchaser unless made by the Purchaser in writing.
4. **DELIVERIES:** Time and quantities are expressly made the essence of this order and the Purchaser reserves the right to terminate this order as to any and all articles if shipment is not made as required. Seller shall not be liable for delays due to causes beyond their control and without their fault. In addition, Purchaser will also be monitoring quality of products and on-time delivery and will keep track of this information.
5. **PURCHASER FURNISHED MATERIALS AND INFORMATION:** All designs, tools, patterns, drawings, other information, or materials supplied by the Purchaser to the Seller for use in the manufacture of the articles contracted for herein shall remain the property of the Purchaser and shall not be used in the production, manufacture, or design of articles for any other Purchaser, nor for the manufacture or production of larger quantities than those specified. Seller shall not disclose nor make available any such information or materials to another party except with the express consent in writing of the Purchaser. At the termination of this contract such information or materials shall be returned or disposed of as the Purchaser shall direct.
6. **WARRANTY OF INTELLECTUAL PROPERTY:** By acceptance and in consideration of this order, the Seller warrants that the sale or use of any or all articles or materials delivered herein will not infringe upon any intellectual property rights that the Seller has and will at their own expense defend any action, suit, or claim in which such an infringement is alleged; and that Seller will save Purchaser and/or its customers from any loss, damage, or liability of any nature arising from any claim of such infringement.
7. **PRICE:** The price to be paid for the articles or materials covered by this order shall in no event exceed the applicable maximum price of any established Government regulation and any provisions or conditions of the order which are in violation of any such regulation shall be of no effect.
8. **COMPLIANCE WITH LAWS:** In the performance of the work hereunder the Seller shall comply at all times with all applicable State, Federal, and Local laws, rules, and regulations. In accepting this order Seller shall be deemed to represent that these goods will be or were purchased in compliance with all applicable requirements of section 6, 7, and 12 of the Fair Labor Standards Act as amended and of regulations and orders of the United States Department of Labor issued under section 14 thereof. Seller shall insert a certificate on all invoices submitted in connection with this order stating compliance with the above Fair Labor Act of 1938 as amended.

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9. **LABOR DISPUTES:** Whenever an actual or potential labor dispute is delaying or threatening to delay the performance of this order, Seller will immediately give notice thereof to the Purchaser. Such notice shall include all relevant information with respect to such dispute including what steps are being taken to assure timely performance of this Purchase Order.
10. **GOVERNMENT CONTRACTS:** If this Purchase Order is a Government subcontract, any applicable provisions of Federal statutes and regulations as are mandatory under Purchaser's contract shall be incorporated herein and become part of this PO.
11. **TERMINATION:** The Purchaser may terminate this order in whole or in part by notice in writing. Upon receipt of such notice or at the time specified therein, in any, the Seller shall incur no further costs of performance and shall terminate all orders and subcontracts given by Seller for performance. The Seller will then deliver, and the Purchaser accept and pay for the Purchase Order price, all articles completed and ready for delivery in final form and according to specifications. As to uncompleted articles, if the articles are for use by Purchaser in fulfilling a contract that is subject to termination, settlement shall be made on the basis of and by analogy to the procedure provided by Purchaser's contract; otherwise settlement shall be made on the basis of and by analogy to government termination procedures. If a dispute shall arise as to any sum claimed by the Seller it shall be determined from an audit of the Seller's books by a Certified Public Accountant chosen by the Seller and acceptable by the Purchaser.
12. **ASSIGNMENT:** This purchase order shall not be assigned by Seller without consent of the Purchaser.
13. **INSPECTION:** (A). All material and workmanship shall be subject to inspection by Purchaser before and after delivery. The Purchaser may require the Seller to replace rejected material or Purchaser may accept any materials that conform to Seller's warranties. Upon discovery of materials not so conforming, Purchaser may reject or keep and rework any such materials not so conforming. Cost of rework, inspection, transportation, repacking, and or re-inspection by Purchaser shall be at the Seller's expense.
(B). Materials to be used in the performance of Government contracts may be inspected and tested at all reasonable times and places either before, during, or after manufacture by Seller or by the Government Agency concerned at Purchaser's direction.
(C). If inspections and tests are made on the premises of Seller or Seller's subcontractor, Seller shall furnish at no additional charge all reasonable facilities and assistance for the safe and convenient inspections and tests required by the inspectors in the performance of their duties. The foregoing provisions of this Article are supplementary to and not in lieu of the provisions of (A) above.
(D). Inspection or failure to inspect by the Purchaser does not relieve the Seller of liability to perform according to the terms of the Purchase Order.
(E). First Article Inspections are done in accordance with AS 9100 requirements when requested.
14. **GOVERNMENT SOURCE INSPECTION:** If notified that Government Source Inspection is required prior to shipment from Seller's plant to the Purchaser, the following must be done: Upon receipt of this order promptly (no later than 48 hours) notify and furnish a copy of this PO to the Government Representative who normally services your plant so that appropriate planning can begin. If a Government Representative does not service your plant, contact the Army, Air force, Navy, or Defense Supply Agency Inspection Office. In the event one cannot be located notify Purchaser immediately.

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15. **CERTIFICATE OF COMPLIANCE:** When required the Seller shall furnish a "Certificate of Compliance" (otherwise known as Certificate of Conformance) with each shipment that assures full conformity with the Quality Assurance requirements, applicable drawings, and specifications and that test reports and inspection records are on file at the Seller's or Manufacturer's facility and are available to the Purchaser and or Government for review. This Certificate shall be validated by an authorized representative of the Seller's Quality Department. An example of an acceptable "Certificate of Compliance" is as follows: "This is to Certify that all items noted above are in compliance with the contract, drawing, specifications, and other applicable documentation and that all required certifications, inspection, and test records are on file and available for review by the Buyer and or Government agencies."

BY _____
Seller's Name Authorized Signature

16. **PHYSICAL AND CHEMICAL ANALYSIS:** When the items or service being shipped or performed against this order require copies of actual chemical and physical test results showing actual readings taken and conformance to applicable specifications, these documents must be identifiable to the items they represent and shall be included with each shipment.
17. **AGE CONTROL, PERISHABLE ITEMS:** Articles delivered under this order shall contain (1) Date of Manufacture (2) expiration date (3) batch or lot number. The remaining shelf life shall not be less than 80% of the total shelf life at time of delivery. In addition, materials purchased under this clause shall include a copy of the Manufacturer's technical bulletin describing use and precautions as applicable.
18. **NONCONFORMANCES:** Seller must notify the Purchaser of non-conforming material/product. Seller must make arrangements for the approval of Seller's non-conforming material.
19. **CHANGES PRODUCT/PROCESS:** Seller must notify Purchaser of changes in product and/or process definition and where required get approval.
20. **RIGHT OF ACCESS:** Seller must grant right of access by the Purchaser, the Customer, and Authorities to all facilities involved in the order and to all applicable records.
21. **FLOWDOWN:** Seller must flow down to sub-tier suppliers the applicable requirements in the purchasing documents including key characteristics when required.
22. **PREVENTION OF COUNTERFEIT PARTS:** Purchaser is determined to prevent the use of counterfeit parts in production and the manufacturing of counterfeit parts. Products from Sellers determined to be counterfeit will not be used.
23. When required Seller will secure approval from Purchaser for product, procedures, processes, and equipment.
24. If required Purchaser may request proof of qualifications of personnel.
25. If required by flow-down Seller must have required QMS in place.
26. Records retained or used by the Seller will be maintained for a period of five (5) years unless otherwise specified on the Purchase Order.
27. Communication and general interactions between the Purchaser and Seller do not have to be written, verbal communication is acceptable as long as no changes to the products or purchase are made.

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28. If requested, Purchaser is available to have a discussion with the Seller to bring attentive to their contribution to product or service conformity, product safety, and the importance of ethical behavior.
29. Purchaser reserves the right to monitor the performance of any Seller or Customer as they see fit to ensure that services provided are on time, compliant, in order, or fair.