



PURCHASE ORDER GENERAL TERMS AND CONDITIONS

1. ACCEPTANCE. Buyer offers to purchase the goods and services described herein only upon all the terms and conditions contained herein. Buyer reserves the right to revoke this Purchase Order without notice. This Purchase Order shall be deemed agreed to and accepted by the Seller and become a binding contract on the terms and conditions contained herein when (a) signed and returned to Buyer, or (b) Seller issues its oral or written acknowledgment, or (c) Seller commences performance, or (d) Seller otherwise accepts this order.

2. ATTACHMENTS. Documents designated by Buyer in the body of the Purchase Order, including supplemental terms and conditions, if any, are incorporated by reference the same as if set out in full herein.

3. CHANGES. Buyer reserves the right at any time to issue a written change order or amendment to the Purchase Order concerning any of the following: (a) specifications, drawings and data incorporated in the Purchase Order, (b) quantity, (c) methods of shipment or packaging, (d) place of delivery, (e) time of delivery, or (f) any other matter affecting this Purchase Order.

Any difference in price or delivery resulting from such changes shall be equitably adjusted. Any claim by Seller for such adjustment must be asserted within ten (10) days of the date of receipt by Seller of such change and be approved by the Buyer in writing. Buyer shall have the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim.

4. DELIVERY. Time is of the essence in the performance of this Purchase Order. Seller shall make deliveries in quantities and at the time specified by the Buyer. If at any time it appears that Seller will not make delivery as scheduled, Seller shall promptly notify the Buyer of the reasons for and the estimated duration of the delay.

Acceptance of late deliveries shall not be deemed a waiver of Buyer's right to hold the Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of the Seller's obligation to make shipments in accordance with the delivery schedule set forth in this Purchase Order.

Buyer shall have no liability for payment for items or services delivered in advance of the delivery specified or quantities made in excess of the amounts specified by the Buyer. Such items will be subject to rejection and return at the Seller's expense.

5. WARRANTIES. Seller hereby warrants that the items furnished hereunder shall be free from defects in material, workmanship and design; of merchantable quality and fit for Buyer's purposes and that they shall conform to Buyer's instructions, specifications, drawings and data. Seller further warrants that the items furnished hereunder shall conform to all representations, affirmations, promises, descriptions, samples or models forming the basis of this Purchase Order. Seller further warrants that all services performed for or on behalf of Buyer will be performed in a competent, workmanlike manner and shall be free from faults and defects. Seller agrees that these warranties shall survive any inspection, acceptance or payment by Buyer.

Seller warrants that goods or services covered by this Purchase Order shall not infringe any patent, design, mask work, copyright or trademark, of any third party, either directly or contributory. Seller agrees to indemnify Buyer and hold Buyer harmless from and against all liability, loss, damage and expense, including reasonable counsel fees and cost of litigation, resulting from any claim of infringement and any litigation relating thereto.

Seller's warranties shall survive the completion, cancellation or termination of this Purchase Order.

6. TERMS OF PAYMENT. The date of payment shall be computed from the later of the date when Buyer receives conforming items, a correct invoice, the required delivery date, or the date any applicable discrepancy is resolved.

7. CANCELLATION. Buyer shall have the right to cancel this Purchase Order if Seller fails to make reasonable progress towards completion of the Purchase Order at the times specified, if the Seller breaches any of the terms hereof including warranties of Seller, if Seller makes an arrangement, extension or assignment for the benefit of creditors, if Seller files or has filed against it a petition in bankruptcy for the reorganization, if Seller pursues any other remedy under any other law relating to the relief of debtors, if Seller dissolves or otherwise ceases to exist or liquidates all or substantially all of its assets, if Seller becomes insolvent or if Seller generally does not pay its debts as they become due.

8. TERMINATION. Buyer may terminate this Purchase Order for its convenience, in whole or in part, and without penalty at any time prior to shipment by written or electronic notice to Seller. Upon such termination notice Seller shall promptly comply with the directions contained in such notice and shall, as required, (a) take action necessary to terminate the work as provided in the notice, minimizing costs for the terminated work, and (b) continue the performance of any part of the work not terminated by Buyer and (c) take all action necessary to protect goods and materials in Seller's possession in which Buyer has an interest. Any claim resulting from termination must be submitted by Seller within thirty (30) days of termination notice and is subject to the approval of Buyer. Buyer shall have the right to examine any of the Seller's pertinent books and records for the purpose of verifying Seller's claim. Except as otherwise provided in this order, the provisions of this Article will not apply to any cancellation by Buyer for default by Seller or any other cause allowed by law or under this order.



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9. INSPECTION AND ACCEPTANCE. Payment for any item or service under this Purchase Order shall not constitute acceptance thereof. All items or services purchased hereunder are subject to inspection at Buyer's destination either before or after payment or before or after acceptance, at Buyer's option. Buyer may reject goods and services not in accordance with Buyer's Purchase Order, additional instructions, specifications, drawings, data, or Seller's warranty (express or implied). Buyer shall be entitled to a full credit for items or services that are rejected and may make claim for damages, including manufacturing costs, damage to materials, or articles caused by improper processing, handling, packing and other special damages incurred by Buyer. Such rights shall be in addition to any other remedies provided by law.

Seller shall permit inspectors of the Buyer or Buyer's customers (including the United States government) to have access to the Seller's plant at all reasonable times for the purpose of inspecting goods or services supplied hereunder.

10. ASSIGNMENT. Seller may not assign, transfer, or subcontract this Purchase Order or any right or obligation hereunder without Buyer's written consent.

11. CONFIDENTIALITY. Unless otherwise agreed by Buyer in writing, Seller shall keep confidential and not disclose to any third party, any confidential and/or proprietary information or material provided by Buyer to Seller in connection with Seller's performance under this Purchase Order or prepared by Seller specifically for Buyer pursuant to this Purchase Order, including but not limited to any drawings, masters, software, specifications, raw materials, components, data, business information or plans, customer lists or other customer information ("Confidential Information"). Seller shall use Confidential Information solely for Seller's performance of this Purchase Order for Buyer, and Seller shall not, without Buyer's written consent, directly or indirectly use confidential information or information derived therefrom in performing services or providing goods for any other customer of Seller, or any other person or entity.

12. SHIPPING. All goods supplied hereunder shall be suitably packed, marked and shipped in accordance with Buyer's instruction, or absent such instructions, in accordance with the requirements of common carriers in a manner to secure lowest transportation cost. Packing slips, including Buyer's Purchase Order Number, shall accompany each shipment.

13. INDEMNIFICATION. Seller agrees to indemnify, defend, and hold Buyer harmless from and against all losses, damages, liability, actions, judgments, costs, and expenses (including, but not limited to, reasonable attorneys' fees and other expenses of litigation), suffered, incurred, or asserted by or against Buyer (a) by reason of Seller's breach of a warrant, (b) by reason of Seller's breach of any term of this Purchase Order, or (c) by reason of personal injury, including death, or property damage sustained by a third party, resulting from or arising out of an act or omission of Seller, or Seller's agents, employees, or contractors in fulfillment of this Purchase Order.

14. INSURANCE. Seller agrees to maintain adequate insurance coverage during the life of this Purchase Order in the opinion of the Buyer, including but not limited to comprehensive general liability insurance. Seller agrees to furnish evidence of such insurance upon Buyer's request. Compliance by Seller with insurance requirements does not in any way affect Seller's indemnification of Buyer under Article 13 above.

15. NOTICE OF LABOR DISPUTES. Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer.

16. REMEDIES AND WAIVERS. The remedies herein reserved to Buyer shall be cumulative, and in addition to any other or further remedies provided by law or equity. Buyer shall have the right to set off against any amounts payable by Buyer to Seller by reason of any counterclaim arising out of this Purchase Order or any other transaction with Seller.

No waiver by Buyer of any term or condition of this Purchase Order shall be construed as a permanent waiver of such term or condition or of any other term or condition.

17. GOVERNING LAW. This Purchase Order shall be governed, interpreted and construed by, and in accordance with the laws of the State of Michigan, United States of America. Any court action arising under this Purchase Order shall be venued in Oakland County, Michigan, United States of America.

18. ENTIRE AGREEMENT. This agreement shall include the Purchase Order, these General Terms and Conditions, and all attachments referred to in the Purchase Order or in the General Terms and Conditions, and it shall constitute the entire agreement of the parties with regard to the subject matter contained herein. All other prior or contemporaneous representations, warranties, covenants, or agreements between Seller and Buyer, or their representatives, with respect to the subject matter are hereby null and void. The term "Purchase Order" as used herein means the first and continuation pages of Buyer's complete Purchase Order form, including any special provisions contained therein. No modification shall be binding unless agreed upon in writing and signed by Buyer's duly authorized representative.



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QUALITY ASSURANCE PURCHASE ORDER CLAUSES

QA CLAUSES ARE MANDATORY AND APPLICABLE TO ALL PURCHASE ORDERS

- QA1 FOREIGN OBJECT DEBRIS (F.O.D.).** Supplier shall assure cleanliness of products provided. Supplier shall assure cleanliness of product returned to Buyer in the event a service has been provided. Delivered product must be clean and free from any debris, such as machined chips, burrs, grinding dust, forming materials, corrosion, oil and other foreign material on surface to prevent F.O.D. entrapment. Allowances will be made if directed by PO, or air quality deems it necessary, the supplier shall use appropriate preservative methods on the Buyer's product before shipment/delivery.
- QA2 NONCONFORMING PRODUCTS.** Seller shall immediately notify Buyer of all products or processes found to be nonconforming to the engineering drawings, specifications or Purchase Order. Such items shall be identified and segregated until a determination is made to rework, replace, or return to Buyer for ultimate disposition.
- QA3 NOTIFICATION OF ESCAPES.** It is the responsibility of the Seller to notify Buyer immediately of any items that were provided and later discovered by the Seller to be defective. This notification of escape shall include, at a minimum, Purchase Order number, part number, suspected quantity, and discrepancy observed.
- QA4 NOTICE OF CHANGES BY THE SELLER.** During the performance of this Purchase Order, Seller is required to obtain written approval from Buyer for any change in their system, processes, products, or services previous approved by the Buyer. Changes of external providers, location, or key personnel that can affect Buyer's product also require Buyer approval.
- QA5 CERTIFICATES OF CONFORMANCE.** When specified in the Purchase Order, a legible and reproducible copy of a Certificate of Conformance shall accompany each shipment. The Certificate must include, at a minimum, the following:
- Sellers name and address.
 - Buyers Purchase Order number.
 - Quantity shipped, quantity accepted, quantity rejected.
 - Buyer's part number and revision level.
 - Any and all specifications performed by, embedded within, or flowed down to the Supplier must be referenced on the Certificate of Conformance along with the revision performed. The supplier must also list the appropriate Class, Type, Level, as necessary. This information must match or exceed the requirements requested by the Buyer. All specifications must be to the current (or requested) revision. If not, you must have written authorization to supply an outdated revision.
 - Serial numbers, batch numbers, certification numbers, heat numbers and cure dates, as applicable.
 - Signature, title of authorized representative and date.
 - The Certificate of Conformance must contain a statement that all inspections, processing and tests have been performed as required by the drawing requirements and/or Purchase Order.
 - Products controlled by heat numbers, cert numbers, batch numbers or cure dates must be linked to the Certificate of Conformance by the controlling number.
 - Each shipment must be accompanied by legible and reproducible copies of all raw material, processing, test and hardware certifications needed to produce the part in accordance with the engineering drawing and/or Purchase Order requirements.
 - A statement that Product/Processes supplied are free from mercury contamination. See QA6.
 - All raw material certs must include Country of Origin/Melt.
- QA6 MERCURY FREE REQUIREMENTS.** Materials furnished to Buyer shall not contain functional mercury in any form. Mercury-bearing instruments and/or equipment that may cause mercury contamination shall not be used in the manufacture, assembly, or testing of any material supplied to buyer. All vendor certifications must contain a statement to the effect of FREE FROM MERCURY CONTAMINATION.
- QA7 SPECIALTY METALS DFAR REQUIREMENTS.** For all raw material purchase orders stating DFAR compliance, purchased material must conform to: Specialty Metals shall conform to DFAR 252.225-7008 and Alternate 1, 225.003, 252.225-7009, 252.225-7014 Alternate 1 and 225.872-1 as applicable on the specific purchase order. For Ball & Roller Bearing DFAR requirements the material shall conform to DFAR 252.225-7016, Alternate 1. DFARs can be reviewed at the Defense Procurement and Acquisition Policy web page – <http://www.acq.osd.mil/dpap/dars/dfars/index.htm>
Country of Origin/Melt shall appear on all material certifications.
- QA8 RIGHT OF ENTRY.** It is agreed that in the execution of this Purchase Order, Buyer and/or its prime contractor, including Regulatory Agencies, will be permitted on site within 24 hours of request to review supplier facilities and procedures, as deemed necessary.



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- QA9 RECORD RETENTION.** In addition to the requirements of the certifications included in the buyer's Purchase Order, any additional records relating to work performed for Buyer maintained by the Seller must be kept complete and available to Buyer at the Seller's facility, including without limitation, all records, reports, data and other information necessary to assure compliance with Purchase Order requirements. The records must be maintained for a minimum of forty (40) years, unless otherwise specified.
- Prior to discarding, transferring to another facility, or destruction of such records, the supplier shall notify and allow Buyer the opportunity to gain possession of such records including records at the supplier's sub-tier sources.
- QA10 FLOW DOWN TO SUB-TIERS.** All quality clauses in this purchase order/contract applies to the supplier whose name appears on the purchase order; as well as, all sub-tier suppliers. The supplier is responsible to flow these requirements to any machining or processing sub-tier supplier handling the Buyer's parts, and must only use customer designated or approved external providers. You may also be required to provide test specimens for design approval, inspection/verification, investigation, or auditing. Consult Buyer with questions.
- QA11 GOVERNMENT RATED CONTRACTS.** Rated orders are identified in the Purchase Order by a priority rating consisting of the rating, DX or DO. Rated orders take preference over all unrated orders as is necessary to meet required delivery dates. Among rated orders, DX rated orders take precedence over DO rated orders.
- Suppliers are required to flow down these ratings to any sub-tier processing an item on a rated order. This provision ensures that suppliers will give priority treatment to rated orders from contractor to subcontractor to suppliers throughout the procurement chain.
- QA12 CONFLICT MINERALS.** The Buyer adheres to the necessary requirements of their customer in regards to the Dodd Frank Act Section 1502 Conflict Minerals. The Buyer expects the same commitment and effort from suppliers and mandate their cooperation in the matter.
- The Buyer expects from all raw material, purchased parts, and plating suppliers a reporting on their use of Conflict Minerals utilizing the most up to date CMRT on an annual basis (please also see our "Vendors" page and statement) or upon request sent to inspection@trutron.com. Further information regarding this, including the most up to date CMRT, can be found at: <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>
- QA13 ITAR/EAR.** The Buyer requires compliance to ITAR/EAR regulations on any product that flows down Trutron Supplemental Quality Assurance Requirements (QAR) on the Purchase Order. The Supplier is required to flow down these requirements to any sub-tiers they utilize. The Supplier should review and familiarize themselves with the requirements and why the Buyer may be asking for specialized information regarding their business and why the Buyer and Supplier may not be able to share particular information. Further guidance can be found at: <http://www.bis.doc.gov/>
- QA14 COUNTERFEIT PARTS.** It is the responsibility of all persons and organizations to ensure that the product they are using or supplying is not counterfeit. Through tracking, inspecting and managing parts, all entities should verify authenticity of parts. If counterfeit or fraudulent matter is found, it must be reported to the appropriate parties immediately. We ask that all vendors research this issue, and develop a strategy to manage long term availability of authentic parts and continuously improve on purchasing efforts to reduce the risk of obtaining counterfeit parts.
- For more information, try: http://www.sae.org/aaqg/audit_information/2016/fw/break_out_2.pdf and/or <http://www.aia-aerospace.org/wp-content/uploads/2016/05/counterfeit-web11.pdf>
- QA15 SHELF LIFE/STOCK ROTATION.** We ask that sub-tiers employ the first in/first out mentality and a shelf life practice on all product that might fall under its concept. With this in mind, any product that you are supplying Trutron must be to the current revisions, including the raw material. The only exception would be permission in writing to send up to one revision back. If you do not obtain written authority, we reserve the right to reject the product or issue a corrective action against your organization.
- QA16 AWARENESS.** Buyer's goal is to provide superior quality product while always recognizing the importance of safety and ethical behavior. Seller's contribution to our product is important. Our goal is achieved only when our suppliers also exercise diligence in supplying conforming product or service using competent individuals, with attention to product and personal safety and strive to perform ethically at all times.
- QA17 QUALITY MANAGEMENT SYSTEM.** Buyer requests seller maintain a quality management system compliant to ISO 9001: current revision and preferably to AS9100: current revision.



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**See Supplement for QAR Clauses, Applicable Only When Noted
On The Purchase Order**