PATZ MATERIALS & TECHNOLOGIES

Purchasing Standard Terms and Conditions

The Supplier, by acceptance of an Order that references these Terms and Conditions, accepts all the terms and conditions hereof. Acceptance of such Order shall take place either by execution and return of the signed copy of such purchase Order or by performance of such Order. Any modifications, or alterations or additions to the terms and conditions of such Order, to be binding, must be in writing, signed by an authorized representative of the Buyer and delivered by the Buyer to the Seller.

DEFINITIONS -

- Agreement - refers to Purchase Order and Vice Versa
- PMT – Patz Materials & Technologies (as stated on the face of this order).
- PMT On-dock Date - listed on PMT's POs is the date required to land/arrive at PMT's dock.
- Goods - refers to the items and related documentation referenced on the face of this Purchase Order and shall include any incidental services performed by Seller under this Agreement.
- Seller - the person, firm or corporation to which this Purchase Order is addressed.

PACKING AND SHIPPING – No charges will be allowed for packing or crating unless stated in the order. Each container must be marked to show order number, and a packing list with the order number must be included in each package or single unit.

SHIPMENT – Seller shall not ship in advance of schedule except as otherwise specified or consented to by Buyer. Seller shall not be liable for delay in shipment due to causes beyond Seller's control and without Seller's fault or negligence, provided Seller exercises due diligence in promptly notifying Buyer of conditions which will result in delay. Buyer reserves the right to cancel this order, or any part thereof, if Seller does not make deliveries as specified in this order. Stating that, time shall be of the essence on all orders. The goods must be delivered strictly in accordance with the quantities, specifications and delivery schedule specified.

INVOICES – Payment of Seller's invoice is subject to adjustment for any shortage or for rejection. Individual invoices must be issued for each shipment applying against this order and other changes must be shown separately.

CHANGES –Buyer shall have the right to modify specifications relating to this order. Upon such change, proper adjustment in the price and in the shipping, schedule shall be made.

ASSIGNMENTS – No assignment of this order, of any money due or to become due there under, shall be binding upon Buyer until Buyer's written consent is obtained.

PUBLIC LIABILITY INSURANCE – Seller shall hold buyer and its customer harmless from all injuries, damages and claims arising from performance of work or services covered by this order. Seller shall maintain such insurance as will protect the Seller, the Buyer and his customer from claims under Workmen's Compensation Acts and from any other claims for damages, personal injury or death to employees of the Seller, the Buyer or his Customer or any other persons which may arise from performance of work or services covered by this order whether performed by the Seller, his sub-contractor, or anyone directly or indirectly employed by either of them.

WARRANTIES – Seller warrants that all materials delivered hereunder shall be free from defects of material or workmanship, and that all parts conform to specifications and / or drawings. The warranties of the Seller together with the service warranties and guarantees, if any, shall run to the Buyer and its customers.

PATENT PROTECTION – In regard to articles which are not a design originated by manufacturer, Seller agrees it will save and hold harmless Buyer and its agents or customers from any loss, damage or liability which may be incurred due to infringement of United States patent rights. Seller shall, at its own expense, define any action, suit or claim in which such infringement is alleged with respect to the sale or use of the articles or materials delivered hereunder.

DISCRIMINATION – In performance of work under a Government contract, Seller shall not discriminate based on race, religion, color, national origin, age, sex, handicap, veteran or disabled veterans.

COMPLIANCE WITH LAWS – Seller warrants that in performance of all work under this Purchase Order Seller and its consultants and subcontractors have complied with or will comply with all applicable federal, state, local and foreign laws and ordinances, as amended, including, but not limited to all export laws, restrictions and regulations of the Department of Commerce, Department of State or other United States or foreign agency or authority governing the export of goods and services, the Occupational Safety and Health Act of 1970 (29 U.S.C. Sections 651, 678), the Fair Labor Standards Act of 1938, (29 U.S.C. Sections 201-219), the Work Hours and Safety Act of 1962 (40 U.S.C. Sections 327, 333), the Equal Employment Opportunity Act (42 U.S.C. Sections 2000e, et seq.) and Equal Employment Opportunity Clause prescribed by Executive Order 11246 dated September 24, 1965, as well as any other regulations promulgated under such Act and Executive Order. Seller warrants that in performance of work under this Purchase Order, Seller and its consultants and subcontractors have complied with all laws, regulations, statutes and ordinances of all governmental entities including local, state, federal and foreign, now or hereafter enacted or amended, which regulate any material because it is radioactive, toxic, hazardous or otherwise a danger to health, reproduction or the environment including, but not limited to, the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. Sections 9601,9615, 9631-9633, 9641, 9651 9657), the Resource Conservation Recovery Act of 1976, the Federal Water Pollution Control Act (33 U.S.C. Sections 1251, et seq.), the Clean Air Act (42 U.S.C. Sections 7401, et seq.), the Toxic Substances Control Act (15 U.S.C. Sections 2601, et seq.) and similar laws, rules, statutes, treaties or orders and international understandings.

Seller further agrees to comply with all applicable laws regarding requirements for small business and small disadvantaged business and women-owned small business concerns including, if appropriate, FAR 52.219-1 (MAY 1999), 52.219-2 (OCT. 1995), 52.219-8 (OCT. 1999) and 52.219-9 (OCT. 1999). Upon request, Seller agrees to issue certificates certifying compliance with any laws or regulations as may be applicable to the material, products or services furnished hereunder. Any clause required by any law, ordinance, rule, or regulation to be included in a contract of the type evidenced by this Purchase Order shall be deemed to be incorporated herein.

Seller shall also provide all reasonable assistance to Buyer as may be requested by Buyer to ensure Buyer's compliance with all laws and regulatory reporting requirements. This includes but is not limited to compliance with U.S. and international export/import control laws and licensing requirements, FAA regulations and conflict mineral reporting requirements.

Seller shall comply with and flow down DPAS priority ratings, imposed by the US Government, when referenced on the purchase order. Relevant purchase orders must be acknowledged within 10 working days (DX rated orders) and within 15 working days (DO rated orders).

Anti-Trafficking in Persons - Seller is prohibited from engaging in activities that support or promote trafficking in persons, including, but not limited to, any of the following:

1. Trafficking in persons, including, but not limited to the following:
    - sex trafficking; or
    - the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery.

2. The procurement of a commercial sex act;
3. The use of forced labor in the performance of company business;
4. The use of misleading or fraudulent recruitment activities;
5. Charging employees' recruitment fees;
6. Failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working;
7. Providing or arranging housing that fails to meet the host country's housing and safety standards; or
8. If required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual's native language and prior to the individual departing from his or her country of origin.

Seller represents and warrants that it shall abide by and comply with the requirements of this clause. Further, Seller shall require its employees, agents, contract laborers and subcontractors to abide by and comply with the requirements of this clause.

Buyer or its authorized representatives may, at any time, audit all pertinent books, records, work sites, offices, and documentation of Seller to verify compliance with this clause. Seller agrees to cooperate with and provide Buyer with any information reasonably requested in support of Buyer's due diligence or other efforts and to verify compliance with this clause. Seller will, in all its lower-tier subcontracts and contracts relating to this or any other Buyer Order with Seller, include provisions which secure for Buyer all of the rights and protections provided for within this clause.

Seller acknowledges that if Seller or any of its employees, agents, contract laborers or subcontractors engages in any of the prohibited activities in this clause, this Order is subject to termination.

Whenever Seller has knowledge, whether substantiated or not, that any actual or suspected violation of this clause has occurred, Seller shall immediately give written notice to Buyer and provide all relevant information including, but not limited to, the nature of the actual or suspected violation.

Seller shall provide its full cooperation during any subsequent investigation of the actual or suspected violation by Buyer, Buyer's representative, or cognizant government agency. Seller's cooperation shall include, but not be limited to, permitting inspection of its work sites, offices, and documentation, as necessary to support any investigation.

Seller agrees to insert the substance of this clause, including this sentence, in any lower–tier subcontract.

REMEDIES - The remedies herein provided shall be cumulative and in addition to any other remedies provided in law or equity. No waiver of a breach of any provision of this order shall constitute a waiver of any other breach.

The seller shall be responsible for the conformity of all products purchased from its suppliers, including products from sources defined by the customer. Seller shall notify PMT immediately of unexpected anomalies, nonconformances, changes in product and/or process, changes of suppliers, and/or changes of manufacturing facility location. PMT reserves the right to approve such changes or incidents before work is allowed. Suppliers shall ensure their people are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

QUALITY SYSTEM – Seller shall maintain a quality system that is compliant to ISO9001 / AS9100 / AS9120.

CALIBRATION – Seller shall ensure all tools used for product acceptance are calibrated in accordance with accepted international or national standards. Suppliers performing calibration processes on PMT tools or tools used on PMT product Items for calibration shall be traceable to international or national standards.

PRODUCT FLOW DOWN – The Seller shall flow all applicable purchase requirements including customer requirements to sub-tier suppliers. Proper documentation shall be accessible to the Buyer.

PRODUCT SHELF LIFE – Seller is required to supply product that has a remaining shelf life of at least 75% of original life as of the date of shipment.

DOCUMENTATION – All documentation supplied by Buyer will be destroyed upon completion of the contract. Buyer will not maintain records or documents issued to seller.

COUNTERFEIT PART PREVENTION – Seller shall not furnish suspect counterfeit or counterfeit parts to Buyer under this Order. All material delivered under this Order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer upon request. Seller shall immediately notify Buyer if Seller cannot provide electronic parts, components, and/or assemblies traceable to the original component manufacturer or the original equipment manufacturer. Upon receipt of such notification, Buyer reserves the right to terminate this Order at no cost to Buyer or require specific material validation test and inspection protocol requirements to Seller.
If suspect counterfeit or counterfeit parts are furnished under this Order and are found in any of the Products delivered hereunder, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer. Seller shall be liable for all costs relating to the removal and replacement of said parts, including without limitation Buyer's external and internal costs of removing such suspect/counterfeit parts, of reinserting replacement parts and of any testing or validation necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. Buyer's remedies described herein shall not be limited by any other clause agreed upon between Buyer and Seller in this Order and are in addition to any remedies Buyer may have at law, equity or otherwise under this Order. At Buyer's request, Seller shall return any removed suspect counterfeit or counterfeit parts to Buyer in order that Buyer may turn such parts over to its customer for further investigation. For purposes of this clause, Seller agrees that any U.S.G. directive/information or GIDEP alert, indicating that such parts are suspect counterfeit or counterfeit, shall be deemed definitive evidence that Seller's Products contain suspect counterfeit or counterfeit parts.

Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract.

FOREIGN OBJECT DEBRIS/DAMAGE - Supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) Prevention Program to prevent introduction of foreign objects into any item delivered under this purchase order.

CONFLICT MATERIALS - If Seller is providing Products to Buyer under this Order, Seller shall use commercially reasonable efforts to:

- identify whether such Products contain tin, tantalum, gold or tungsten;
- determine whether any such minerals originated in covered countries, as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act");
- perform appropriate due diligence on its supply chain in support of Buyer's obligations under the Act.

In addition, Seller shall, when requested by buyer provide a completed Conflict Minerals Reporting Template, using the form found at http://www.conflictfreesourcing.org/conflict-minerals-reporting-template/. If requested, Seller will promptly provide information or representations that Buyer reasonably believes are required to meet Buyer's conflict minerals compliance obligations.

TRAINING - All work must be performed by qualified personnel. Records showing evidence of qualifications must be maintained.

INSPECTION AND REJECTION - All articles are subject to inspection by Buyer or its agent at destination. No payment will be made to Seller in respect of any Goods that are rejected on such inspection. Buyer reserves the right to retain any portion of any shipment

not strictly in accordance with specification and in such case will pay to Seller a reasonable price therefore, but such retention shall not preclude Buyer from rejections of the remainder of any or other shipments. Rejected Goods will be held for Seller's instructions and at its risk and expense. If instructions are not received within fifteen (15) days after notice of rejection, Goods will be returned at Seller's expense. No Goods returned as defective shall be replaced without Buyer's written permission. Where re-work is required to meet specification requirements, such re-work shall be arranged for by Seller at no cost to Buyer. Payment for Goods shall not constitute acceptance thereof by Buyer nor shall Buyer's inspection or omission to inspect relieve Seller of its obligation to furnish all Goods in strict accordance with all terms and provisions of any Order. Final inspection authority is not delegated unless specifically authorized by PMT.

NONCONFORMING PRODUCT – The seller shall notify PMT of nonconforming product and obtain PMT approval for nonconforming product disposition prior to shipment. If buyer allows for nonconforming product to be shipped to PMT, the seller shall identify the product as nonconforming (segregated from conforming product) along with the nonconformance description. Where applicable, description of nonconformance shall include:

Where the nonconforming feature is defined (e.g. Ref. Specification XXXXX Rev. XX)

- Description of what the feature should be along with tolerance requirements (what it should be).
- Description of the feature condition (what it checks).

CORRECTIVE ACTION REQUEST(S) - Supplier acknowledges it shall apply suitable corrective action when presented with PMT complaints or nonconformance reports.

REVISION STATUS OF SPECIFICATIONS – Where applicable, Seller shall perform in accordance with the latest applicable revision level of all specifications used in the execution of this purchase order (including raw material), unless otherwise stated. As stated below the Certificate of Conformance shall indicate what revision level the goods were manufactured or processed in accordance with. If latest revision specifications are needed, please contact PMT buyer.

CERTIFICATE OF CONFORMANCE – All applicable certificates of conformance shall be sent with each shipment. Seller shall provide Buyer with a Certificate of Conformance (C of C) for Goods identified on the shipping document. If Seller is not manufacturer, a manufacturer's C of C shall also be included in addition to the Seller's C of C.

Seller's C of C shall include Seller's name and address and reference to Buyer's purchase order number and line item number. Manufacturer's C of C shall include manufacturer's name and address. The following shall be included on C of C and / or shipping document with each shipment:

- Signed or stamped and dated statement attesting that Goods provided under this contract conform with all contract requirements
- Part number and dash number (as applicable) for each item
- Revision level / version (as applicable) to which the Goods were manufactured and / or processed.
- Trace information, as applicable, representative of each item - to include the lot trace (e.g., date, batch, heat) or the individual item trace (e.g. serial number)
- When multiple item manufacturers and / or multiple lots are included in one shipment, Seller shall separate and identify respective manufacturer's lots, and indicate each lot quantity.
- Raw material test reports must be provided as evidence of conformity to PO requirements.

Note: Seller's C of C information may be included as part of Seller's established shipping document.

DISCLOSURE – The supplier must promptly notify PMT, in writing, when a product or article has been released from the supplier and subsequently found not to conform to PMT product specific requirements (Purchase order requirements).

The company letterhead is to be used and a management representative must sign the notification. The supplier shall submit the notification to the buyer.

The letter should be addressed to the Quality Manager, PMT Engineering. The notification must include the information below as a minimum and PMT reserves the right to request additional information as deemed necessary by PMT:

- Clear description of the nonconformity (Including what it should be)
- Affected part number(s) along with traceability number (serial number, batch number, heat lot, mfg date, test reports, etc.)
- Delivered quantity, reference PO number, and shipping date.
- Short term corrective action (containment plan) including replacement parts availability (schedules) and recovery plan.
- Inspection procedure, test data sheets along with acceptance criteria, as required.
- Root cause analysis.
- Corrective action implementation (effectivity).
- Long term corrective action.

RECORD RETENTION – Seller shall maintain on file all quality data / records such as certificates of material and / or processes, acceptance test reports, inspection records, and other applicable quality control data, for a minimum of 10 years, unless otherwise required or negotiated, from completion of purchase order.

OBSOLESCENCE / PRODUCT DISCONTINUATION – Seller shall provide PMT with at least 24 months, or otherwise as reasonably practical once known, advance written notification of any known or planned product discontinuation, obsolescence, end-of-life status, significant raw material availability issue, or other condition that may affect Seller's ability to fulfill current or future Purchase Orders. Where applicable, Seller shall identify recommended replacement materials or products; however, no substitution shall be made without prior written approval from PMT.

TOOLING & RESPONSIBILITY FOR PROPERTY – Seller assumes the risk and shall be responsible for any loss to tooling or other property in which title remains in Buyer or Buyers customer. When the tooling is no longer required, Seller shall return it to Buyer in the condition in which the property that was received with the following exceptions: 1) reasonable wear and tear, 2) if such property has been incorporated in items furnished Buyer pursuant to this order, or 3) property that has been consumed in normal performance of work under this order. Seller shall not, without Buyer's written consent, use such tools in the manufacture of any articles for any party other than the Buyer.

RIGHT OF ACCESS – The end customer, regulatory authorities and / or the Buyer shall have the right to enter the premises of the Seller involved in the order and to all applicable records. This includes all levels of the supply chain, including Seller sub-tier suppliers. The Seller shall notify Buyer of any major design change in components affecting form, fit, or function. Seller may be subject to source inspection by Buyer.