



Supplier Terms and Conditions

1. **Acceptance** Agreement of Purchase Order. Senga Engineering Inc. (Buyer) and Supplier (Seller). Agreement by Seller to furnish the materials or services hereby ordered, or its commencement of such performance or acceptance of any payment shall constitute acceptance by Seller of this Purchase Order subject to these terms and conditions. If this Purchase Order does not state price or delivery, Buyer will not be bound to any prices or delivery to which it has not specifically agreed in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions of purchase herein contained shall be void and of no effect unless specifically agreed to by Buyer in writing. These terms and conditions, together with any referenced exhibits, attachments, or other documents, constitute the entire agreement between the parties with respect to the subject matter of this Purchase Order.
2. **Approval** When specified on the purchase order Seller shall obtain approval prior to the following:
 - Change or substitution of any products and services.
 - Changes in any methods, processes or equipment that would affect the output of the product.
 - Release of product that does not meet the intended results.
 - Stripping - Parts are never to be stripped and replated unless written consent is given by Buyer.
3. **Interaction** Seller is responsible for communicating with Buyer's point of contact regarding changes and status update of product and orders.
4. **Change Notification** Where appropriate, the Seller shall notify Buyer of changes in product and process definition where fit, form or function may be affected or location of manufacturer changes and obtain approval prior to implementation. Cancellation shall remain the right of the Buyer and may be initiated at any time.
5. **Design and Development Control** Seller is responsible for processing the product as per the issued drawings and purchase orders. In the event the Seller is responsible for the design process, any changes should be communicated with the organization in the event of potential impact to the product. Buyer is not responsible for any defects or rejections caused by faulty or insufficient design and development of a product.
6. **Customer designated sources** When specific on the purchase order, Seller shall use sources designated by Buyer or its customer. When such a requirement is communicated the Seller is responsible for ensuring the source is approved by Buyer or its customer.
7. **Shipping Instructions** (a) Price as quoted shall include all processes, documentation, packaging, and shipping, unless otherwise approved by Buyer. (b) Seller must package to prevent nicks, dings, scratches, FOD/contamination, and any other damage that may occur. (c) Seller shall always comply with Buyer's written shipping instructions. (d) Unless otherwise directed, all items shipped on the same day from and to a single location must be consolidated on one bill of lading or air bill, as appropriate. Seller shall submit all required shipping papers to Buyer before final payment. (e) Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, air bills and invoices.
8. **Receiving** Materials will not be received by Buyer after 4:00 PM Monday through Friday.
9. **Delivery: Notice of Delay** (a) Failure to deliver in accordance with the delivery schedule under this Purchase Order, if unexcused, shall be considered a material breach of this



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Purchase Order. No acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, shall constitute a waiver of this provision. (b) Seller shall notify Buyer immediately of any actual or potential delay to the performance of this Purchase Order, to include the possibility of non-conforming parts. Such notice shall include a proposed remedies as well as a revised schedule however such notice and proposal or Buyer's receipt or acceptance thereof shall not constitute a waiver of Buyer's rights and remedies hereunder.

10. **Non-conformances** It is the responsibility of the Seller to inform Buyer when it has been determined that a nonconforming product has been shipped to Buyer or its customers and obtain organization approval for nonconforming product disposition when applicable. The Buyer may require Seller to repair, replace, or reimburse the purchase price of rejected material or Buyer may accept any materials and upon discovery of nonconformance, may reject or keep and rework any such materials not so conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or re-inspection by Buyer shall be at Seller's expense. Buyer's failure to inspect does not relieve Seller of any responsibility to perform according to the terms and conditions of this Purchase Order.
11. **Raw Material** Domestic raw material is preferred. Raw material from China is strictly prohibited. DFARS is required on all applicable materials. Preference is that all line items on the purchase order come from the same heat lot.
12. **Counterfeit/Suspected Unapproved parts** - The Seller agrees not to provide any product where the product cannot be traceable - Seller is responsible for ensuring that all products are genuine in origin and agrees not to provide any product that is or could in the future be determined as counterfeit, unapproved or suspected unapproved product.
13. **Sellers' performance** is monitored based on Quality and Delivery - Goals have been established at 95%; Sellers shall be informed if the Seller does not meet the goal for three consecutive months. Buyer may determine to flow down a corrective action request any time the Seller is below the goal. Sellers may be subject to removal from Buyer Approved Supplier List if the Seller does not respond to the corrective action request in a timely manner.
14. **Flow down to Sub tiers** Sellers are required to flow down to their suppliers and sub-tier supplier any requirements that are presented by Buyer including the requirements of its customer.
15. **Test Inspection and Verification** Seller is responsible for ensuring all applicable test and inspection/verification steps required by the drawing, purchase order, or needed to ensure conformity of the product or service it is providing, are performed, and maintained as documented information.
16. **Right of Access & Verification or validation of activities** The buyer and buyers' customer, and their customers, or any applicable regulatory agency will have the right to enter the Seller's facility to perform inspection or ensure compliance to the contract. Seller is responsible for accommodating the request for verification or validation activities that the organization or its customer, intends to perform at the Seller premises. This provision is supplementary to and not in lieu of the provisions of 16 above.
17. **Sample Plan** All inspections used for final acceptance of product or services provided shall be conducted to a minimum sample acceptance level in accordance with ANSI/ASQ Z1.4



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Sampling Table 1 for inspection activities. General inspection level (II). Lot acceptance shall be at zero, Reject at one.

18. **Special Requirements & Use of Statistical Techniques** In the event special requirements, critical items or key characteristics are included as part of the drawing and purchase order; the Seller is responsible to ensure such requirements are properly controlled and documented information maintained. As such it is the responsibility of the Seller to review the need for the use of the statistical techniques for product acceptance and related instructions for acceptance by the organization
19. **Test Specimens** The Seller may be requested to provide test specimens for further analysis and testing by the organization or its customer.
20. **Delegation of Test Reports activities** Sellers providing test reports (Chemical, Physical or other) have been authorized with having delegation authority over the content and validation of the test report data to the appropriate specifications. Sellers are responsible for the review and validation of any test reports as provided to Buyer; Sellers assure that the test reports meet the appropriate requirement for the product and process. Buyer has the authority to re-validate the test reports at any time for any reason.
21. **Record Retention** Seller shall retain all records about material/manufacturing process special processes, test, and inspection for a minimum of 7 Years or as required by the Buyer's customer; Changes to this requirement shall be addressed on the purchase order.
22. **Records Disposition** At the expiration date of records retention, the records will be destroyed by suitable methods.
23. **Buyer Changes** (a) Buyer shall have the right by notice to suspend work or to make changes from time to time in the services to be rendered or the materials to be furnished by Seller hereunder or the delivery date. If such suspension or changes cause an increase or decrease in the cost of performance of this Purchase Order or in the time required for its performance and equitable adjustment shall be negotiated promptly and this Purchase Order should be modified in writing accordingly. Any claim by Seller for adjustment under this Section 13(a) must be asserted in writing within 3 days from the date of receipt by Seller of notification of change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. However, nothing herein shall excuse the Seller from proceeding with this Purchase Order as changed pending resolution of the claim.
24. **Competence** Seller is responsible for ensuring its employees are competent and qualified in the activities that are being performed as per the issued purchase order.
25. **Awareness** Seller shall ensure its employees are aware of their contribution to and importance of the following:
 - Product or Service Conformity
 - Product Safety
 - Ethical Behavior
26. **Quality management system** Sellers shall maintain a quality management system compliant with the AS9100/AS9120/ISO9001 quality system requirements or equivalent.
27. **Invoices and Payments** Unless otherwise authorized by Buyer, Seller shall issue a separate original invoice for each delivery that shall include Buyer's Purchase Order number and line item number. Seller shall forward its invoice to the address specified elsewhere in this Purchase Order. Unless freight or other charges are itemized, Buyer may take any



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offered discount on the full amount of the invoice. Payment shall be deemed made on the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay Buyer any amounts paid in excess of amounts due Seller.

28. **Buyer's Property** (a) All drawings, tools, jigs, dies, fixtures, materials, and other items supplied or paid for by Buyer shall be and remain the property of Buyer, and Buyer shall have the right to enter Seller's premises and remove any such property at any time without being liable for trespass or damages of any sort. (b) All such items shall be used only in the performance of work under this Purchase Order unless Buyer consents otherwise. (c) Material made in accordance with Buyer's specifications and drawings shall not be furnished or quoted by Seller to any other person or concern without Buyer's written permission. (d) For all property furnished by Buyer to Seller, Seller shall be responsible for all loss or damage to said property except for normal wear and tear. (e) Seller shall grant Right of Access to Buyer, their Customer and Regulatory Authorities to all facilities involved in the order and to all applicable records.
29. **Termination for Convenience** (a) Buyer may, by notice, terminate this Purchase Order or work under this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under this Purchase Order. (b) In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated and allowable costs. Buyer may take immediate possession of all work performed upon notice of termination to Seller. (c) Seller's obligations, including but not limited to, obligations under the warranty, proprietary rights, infringement and indemnity against claims provisions of this Purchase Order, shall survive such termination.
30. **Termination for Default** (a) Buyer may, by notice, terminate this Purchase Order in whole or in part at any time for breach of any one or more of its terms for failure to make progress as to endanger performance of this Purchase Order, or failure to provide adequate assurance of future performance. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under this Purchase Order. (b) Seller's obligations, including but not limited to, obligations under the warranty, proprietary rights, infringement, and indemnity against claims provisions of this Purchase Order, shall survive such termination.
31. **Force Majeure** Except for defaults of Seller's subcontractors at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of Government in its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type describe above ("Force Majeure"), then the party whose performance is so affected shall notify the other party's authorized representative and, at Buyer's option, this Purchase Order shall be completed with such adjustments as are reasonably required by the existence of Force Majeure or this Purchase Order may be terminated for convenience.
32. **Release of Information** Seller shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use the Senga



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Engineering, Inc. name, logo, trademark or service mark for the purpose of advertising, making a news release, creating a business reference, creating website content, or for products or service endorsement without prior consent from Senga Engineering, Inc. Furthermore, Seller may not use any photographic images of any products from Senga Engineering Inc. in any promotional way without the written consent of Senga Engineering, Inc.

33. **Infringement** Seller warrants that all work, materials, services, equipment, parts and other items provided by Seller pursuant to this Purchase Order, which are not of Buyer's design, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights and that any use or sale for such items by Buyer or any of Buyer's customers shall be free from any claims of infringement. Seller shall indemnify and save Buyer and its customers harmless from any and all expenses, liabilities, and loss of any kind (including all costs and expenses including attorneys' fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits or actions Seller hereby agrees to defend, at Seller's expense, if requested to do so by Buyer. Seller may replace or modify infringing items with comparable goods acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement. Seller's obligations under this Purchase Order including those contained in Section 10 and in this Section 12 shall apply to the replacement and modified items. If the use or sale of any of the above items is enjoined as a result of such claim, suit, or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.
34. **Intellectual Property** Intellectual property is the property of Buyer and or its customers and may not be retained, used or distributed by Buyer's suppliers, its employees or Buyer's employees and its representatives without the approval of Buyer or the end customer.
35. **Compliance with Law** Seller warrants that the materials to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, and local law, orders, rules, ordinances and regulations.
36. **Defense Priorities and Allocations Systems (DPAS)** (Applicable only if DPAS DO of DX rating is set forth elsewhere within this Purchase Order). (a) Sellers receiving DPAS-rated Purchase Orders shall give the rated Purchase Orders priority over other orders as needed to meet delivery requirements. A priority rating consists of the appropriate DO or DX rating symbol and program identification symbol (e.g., DO-A7). All DO rated purchase orders have equal priority with each other and take precedence over unrated orders. All DX rated Purchase Orders have equal priority with each other, unless accompanying instructions otherwise provide (a rarity), and take precedence over DO rated and unrated orders.
37. **Human Trafficking / Slavery** Seller represents and warrants that the Products and Services sold to Buyer comply with the laws regarding slavery and human trafficking of the country or countries in which Seller is doing business.
38. **Responsibility and Insurance** Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Purchase Order. Seller shall also maintain and cause its subcontractors to maintain such General Liability, Property Damage, Employer's Liability, and Workers' Compensation Insurance, Professional Errors and Omissions Insurance, and Motor Vehicle Liability (Personal Injury and Property Damage) Insurance.