

Purchase Order Terms and Conditions

(Revision: 09/23/2023)

By shipping the goods ordered or by acknowledging receipt of this purchase order, Vendor accepts and agrees to the terms and conditions of purchase set forth below as well as those set forth on the face of SW Anderson Company's ("SW Anderson") purchase order. These terms and conditions constitute SW Anderson's offer to purchase and may only be accepted on the exact terms set forth and no other terms and conditions shall be controlling. These terms and conditions supersede the terms of Vendor's proposal or acknowledgement form, if any.

Your compliance with our requirements for product quality and on time delivery helps support our Quality Policy (available upon request) and fulfillment of Quality Objectives. We encourage vendors to strive for improved performance and continual improvement. Vendor nonconformances can affect our system success with consequences potentially being delayed delivery to our customers or unacceptable product quality. Please be aware that we monitor and record the performance of vendors annually; nonconformances greater than 5% or on time delivery below 95% may result in additional controls being imposed.

1. **Authority.** The Branch Manager or his/her designated agent shall have final authority to approve, amend or cancel any purchase order issued.
2. **Price and Payment.** This purchase order must not be filled at higher prices than last quoted or charged, without the prior written approval of an authorized representative of SW Anderson, or his/her designated agent. If any of the prices specified in this purchase order have been reduced at the time of shipment, Vendor agrees to bill SW Anderson at the reduced price. If no price is specified on this purchase order for an item, Vendor agrees to bill SW Anderson for such item at the lower of Vendor's price for such item on the date of this purchase order or Vendor's price at the date of shipment. Payment shall be as specified on the face of SW Anderson's purchase order. SW Anderson will not honor drafts drawn upon SW Anderson for this order of any C.O.D. shipments. No charge will be allowed for packing, freight or cartage without SW Anderson's prior written approval. Prices charged by Vendor shall not be in excess of any ceilings established or those permitted by applicable law or governmental regulations, if any.
3. **Delivery and Risk of Loss.** SW Anderson may cancel or reject all or any part of this purchase order which is not delivered within the time specified. Time is of the essence. Unless otherwise specified in writing, title to the goods shall pass to SW Anderson at the F.O.B. destination point set forth on the face of this purchase order.
4. **Warranties and Claims.** Goods delivered hereunder are subject to inspection, testing and approval by SW Anderson, or if shipped directly to our customer, by our customer. Vendor



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warrants that the goods to be purchased hereunder: (a) are free from defects of title, labor,

material, or fabrication; (b) conform to applicable specifications, drawings, samples or other descriptions given; (c) are suitable for the purposes intended; (d) are of merchantable quality; (e) were designed and manufactured in conformity with all applicable federal, state or local laws or regulations presently in effect in the United States and the laws of the other countries in which the goods are produced or delivered; (f) shall comply with all applicable federal, state or local laws or regulations presently in effect in the United States and all other countries in which the goods are produced or delivered with respect to the operation of their production facilities and labor practices including, without limitation, the Fair Labor Standards Act, and those pertaining to the manufacturer, labeling, invoicing and sale of such goods or services; (g) shall not violate or infringe the proprietary or intellectual property rights of any person or entity; and (h) if of Vendor's design, are free from defects in design. These warranties shall be for SW Anderson's benefit as well as for SW Anderson's successors, assigns and customers and all users of the goods. Vendor agrees to replace, install or correct promptly without expense to SW Anderson, any goods not conforming to the above warranties when notified by SW Anderson. In the event of Vendor's failure to correct or replace goods as required, SW Anderson may do so and charge Vendor for the expense incurred in doing so. Acceptance or any use of the goods shipped to SW Anderson or our customer hereunder shall not affect Vendor's obligation under the above warranties. All rejected goods shall be charged back to Vendor at full invoice price, plus handling and transportation charges. On shipments made direct to our customers, Vendor will, upon request, promptly present claim for loss, damage or over-charge to the carrier. In the event of shortages, SW Anderson's count or that of our customer shall govern. If goods have been rejected by SW Anderson or our customer and Vendor has been notified of rejection, the goods shall thereafter be held at Vendor's risk and expense. Unless promptly notified to the contrary, SW Anderson will redeliver said goods to the carrier which made delivery to SW Anderson for return to Vendor at Vendor's expense. The above remedies are not exclusive and shall not preclude SW Anderson's ability to seek damages for any breach of Vendor's representations and warranties.

5. Compliance with Laws. Vendors located in the United States warrant that they shall at all times comply with applicable provisions relating to government contractors and subcontractors, which provisions, and any contract clauses required thereunder, are incorporated in this purchase order by reference as if set forth in full including Executive Order 13496, 29 C.F.R. Part 471, Appendix A, the Affirmative Action and Equal Employment Opportunity clause of Executive Order 11246, as amended; 41 C.F.R. § 60-1.4; 41 C.F.R. § 60-250.5; 41 C.F.R. § 60-300; and 41 C.F.R. § 60-741.5 . Where legally required, Vendor shall include these clauses in its purchase orders supporting this purchase order and shall, at SW Anderson's request, certify to all of the foregoing.
6. Indemnification. Vendor agrees to indemnify and hold SW Anderson, its affiliates and its customers, and each of their respective owners, officers, directors, employees and agents harmless against any claims, suits, losses, damages, liabilities, expenses or costs (including

attorneys' fees) arising out of or connected with any: (i) actual or alleged infringement of patent or other intellectual property right of a third party; (ii) breach of any representation and/or warranty relating to the goods purchased hereunder; or (iii) death of or bodily injury to any person, damage to any real or tangible personal property, or any other damage or loss resulting or claimed to result from any actual or alleged defect in the goods or caused by the acts, omissions or misconduct (negligent or otherwise) of Vendor's employees or representatives. With respect to any intellectual property infringement, Vendor shall promptly undertake, at its sole expense, the defense of any such action brought against the above-mentioned parties.

7. Taxes. Vendor accepts and assumes exclusive liability for timely compliance with and payment of all assessments and taxes under all valid federal and state laws which might impose any charge or liability on SW Anderson in connection with the subject matter of this purchase order, and Vendor hereby undertakes to reimburse SW Anderson on demand for all sums SW Anderson may pay under any such law in event of Vendor's failure to comply therewith.
8. Terminations-Government Contracts. As to any of the material contained in this purchase order, which is for delivery under Government contracts, this purchase order is placed with Vendor upon condition that if any corresponding purchase order from our customer is terminated in whole or in part, Vendor agrees to accept termination of that portion of the purchase order upon receipt of notice from SW Anderson. Settlement between SW Anderson and Vendor shall be made pursuant to the provisions of the United States Government's standard termination clauses then in force.
9. Insurance. Vendor shall procure and maintain at its own expense Commercial General Liability, Product Liability and Operations Liability Insurance on an occurrence basis with policy limits of at least \$1,000,000. This insurance must be written by an insurance company with a minimum rating of Best's A- VII or its equivalent, duly incorporated in the United States of America. Vendor shall evidence that such insurance is in force. Vendor shall use reasonable commercial efforts to obtain a written obligation from the insurer to notify SW Anderson in writing at least thirty (30) days prior to cancellation or refusal to renew. Vendor shall, within thirty (30) days prior to expiration of such insurance, deliver another certificate of the insurer evidencing renewal of such insurance.
10. Termination for Convenience. SW Anderson may at any time terminate this purchase order in whole or in part for any reason whatsoever. If such termination occurs after partial deliveries shall have been made, or other partial performance hereunder has occurred, and same has been accepted by SW Anderson, Vendor shall be paid therefore at applicable unit prices or on the basis of percentage completed which has been agreed upon at time of acceptance. SW Anderson shall have the right to take possession of any goods or materials in Vendor's possession and SW Anderson shall reimburse Vendor for the cost thereof, subject to our right of set-off. SW Anderson shall not be liable for any indirect, economic, incidental, punitive or

consequential damages (including, without limitation, lost profits, loss of business revenue or earnings or the like) directly or indirectly arising out of, or in connection with, the transactions contemplated by this purchase order.

11. Assignment. This purchase order or any interest or claim thereunder shall not be assigned or subcontracted or transferred by you without prior written approval from S.W. Anderson Company.
12. Modification. These terms and conditions may only be amended or modified by a written instrument signed by SW Anderson and Vendor.
13. Choice of Law/Venue. The interpretation and enforcement of this purchase order shall be governed by the laws of the State of Delaware. Vendor hereby consents to the exclusive jurisdiction of the Delaware state courts in any and all actions or proceedings arising hereunder.
14. Supplier Quality Assurance Requirements. The supplier shall have and maintain a documented quality system in accordance to one of the following; ISO 9001 (latest revision), AS9100 (latest revision), or S.W. Anderson Company approved equivalent. The quality system shall be subject to audit and approval by S.W. Anderson Company or its customer.
15. Certificate of Conformance. The supplier shall have available at time of shipment a Certificate of Conformance. Certifications can be sent with shipment or electronically upon request. The certificate shall contain as a minimum:
 - an identification of the material shipped,
 - a statement that the material conforms to purchase order requirements, specification, and that all supporting data is on file at the supplier's facility for review,
 - S.W. Anderson Company's purchase order number,
 - the signature and title of an authorized agent for the supplier,
 - any lot/batch code if applicable,
 - shelf life if applicable,
 - ROHS compliance if applicable,
 - the supplier shall provide a copy of any test report required by the purchase order.
16. First Article Inspection Report (FAIR) For Build to Print Parts. A supplier furnishing build to print components will have a FAIR available at time of the first shipment. The FAIR can accompany the first shipment, or be sent electronically. A new FAIR shall be required for any of the following conditions:
 - a design or process change has been made that affects fit, form, or function of the item,
 - an item has not been produced for a period of 2 or more years,
 - a change in facilities utilized to produce the item has taken place,

- Initial First Article rejection for re-inspection of those characteristics affected. The First Article Package shall consist of the documented inspection results for each drawing note and dimension, raw material certifications, and special processing certifications as applicable. The seller's format is acceptable unless specified differently on the purchase order.
17. **Supplier Communication Responsibility.** Supplier will ensure that employees and people working on its behalf are aware of:
- their contribution to product or service conformity
 - their contribution to product safety
 - the importance of ethical behavior
18. **Record Retention by Seller.** Supplier shall control and retain records and documents which are created by and/or acquired for the purpose of complying with the purchase order for a period of ten (10) years unless otherwise noted on the purchase order.
19. **Foreign Object Debris/Damage (FOD) Prevention.** Suppliers shall have a documented FOD program. The FOD program shall ensure work is accomplished in a manner preventing foreign object debris, trash and/ or damage in deliverable items.
20. **Counterfeit Parts.** Seller shall establish and maintain a Counterfeit Parts Prevention Plan using Industry Standards like SAE AS6174 as a guideline. The purpose shall be to prevent and ensure that counterfeit parts / materials will not be delivered to Buyer.
21. **Flow Down Purchase Order Requirements to Sub-Tier Suppliers.** Seller shall flow down to sub-tier suppliers the applicable requirements stated in the purchasing document including key characteristics and specifications.
22. **Calibration of Measuring and Test Equipment.** Seller shall have a calibration system in which all inspection, measuring, and test equipment are calibrated in accordance with their QMS or international or national measurement standards.
23. **Changes to Quality System, Product, Process, Suppliers, or Location.** Seller shall notify and get approval for any process changes and/or changes to the product formulations before shipping product. Seller shall notify, verbally and in writing at least 90 days in advance of any sale, relocation, or transfer of Seller's manufacturing operations. Seller shall also notify verbally and in writing, within 10 days of any of the following:
- change in its quality system status,
 - loss of third-party registrar's certification status,
 - change in Seller's quality organization,

24. Nonconforming Product. Authority to ship or disposition nonconforming material must be obtained through S.W. Anderson Company. Nonconforming material shipped without prior approval is subject to return at the supplier's expense.
25. Corrective / Preventative Action. When deemed necessary, S.W. Anderson Company may require Root Cause/Corrective Action for nonconformities that are identified with materials, parts, or services that are provided.
26. Applicable DFARS. When required, applicable DFARS will be referenced in the Purchase Order and must be complied with and flowed down to any sub tier suppliers.
27. Allow Right to Access. When required, S.W. Anderson Company, their customer, and regulatory agencies will be allowed access to the applicable areas of all facilities and applicable documented information, at any level of the supply chain.
28. Conflict Minerals. S.W. Anderson is committed to the pursuit of responsible procurement practices and we encourage our supply chain to source and purchase materials from socially responsible suppliers and refrain from purchasing materials from known conflict sources. The Securities and Exchange Commission (SEC) has imposed the Dodd-Frank Wall Street and Consumer Act to restrict the use of conflict minerals. Conflict minerals include Tungsten, Gold, Tin or Tantalum (and its derivatives) mined from the Democratic Republic of Congo or adjoining countries. This Act of Congress requires publicly traded companies to report any product containing conflict minerals. S.W. Anderson Company expects you, as our supplier, to perform a due diligence review effort to determine potential conflict mineral sources. We require that you do not knowingly supply product to S.W. Anderson Company that contains conflict minerals from any of the excluded sources.