



Purchase Order Terms & Conditions

1. ACKNOWLEDGEMENTS AND ACCEPTANCE:

If any of Seller's terms of sale are not in agreement with the terms of this purchase order, the terms below shall govern unless Gibbs Precision accepts Seller's terms in writing. No oral agreement or other understanding shall in any way modify this order or the terms or conditions below. Seller's action in (a) accepting this order, (b) delivering materials or, (c) performing services called for below shall constitute an unqualified acceptance of the terms and conditions.

2. PRICE WARRANTY:

Seller will give the Buyer the benefit of any price reduction before actual time of shipment except that should the Buyer permit shipment to be made prior to specified shipping date that the Buyer shall have advantage of any price reduction before specified shipping date.

3. INDEMNITY:

Seller agrees to indemnify and save the Buyer harmless from any loss, damage, or expense whatsoever resulting to the Buyer from any and all claims and demands on account of infringement or alleged infringement of any patent in connection with the manufacture or use of any products included in this purchase order and upon written request, Seller will defend at its own cost and expense any legal action or suit against the Buyer involving such alleged patent infringement and will pay and satisfy any and all judgments or decrees rendered in any such legal actions or suits. Seller will indemnify the Buyer against all claims for damages to persons or property resulting from defects from materials or workmanship.

4. PACKING:

No extra charges shall be made for packing or packaging material unless authority is expressly incorporated in this order. Seller shall be responsible for safe packing, which must conform to requirements of carrier's regulations. All shipments must carry the correct quantity, product identification and purchase order number plainly marked on the packages. Cars or trucks must be loaded to minimum weight requirements to assure lowest rates unless otherwise specified or shipper will be charged with excess freight Buyer is required to pay.

5. DELIVERIES:

Time is of the essence in performance of this order. Gibbs Precision reserves the right to cancel and reject goods upon default by Seller in time, rate or manner of delivery. Supplier responsible for lost or damaged product.

6. QUANTITY:

The quantity of goods ordered must not be exceeded or reduced without the Buyer's permission in writing except in conformity with acknowledged industry tolerances.

7. INSPECTION:

All articles are subject to inspection and test at place of manufacture, the destination, or at both places by Buyer's representative. Material failing to meet the requirements of this order will be held at Seller's risk and may be returned to Seller with cost of transportation, unpacking, inspection, repacking, reshipping, or other like expenses to be the responsibility of the Seller. Certifications of compliance provided to all applicable specifications if requested by Gibbs Precision Machine.

8. SPECIFICATION CHANGES:

The Buyer shall have the right by a written order to make changes from time to time in the work to be performed or the materials to be furnished by the Seller hereunder. If such changes cause an increase or decrease in the amount due under this order or in the time required for its performance, an adjustment acceptable to both parties shall be made and the order shall be modified in writing accordingly. Any agreement for adjustment must be asserted in writing within 10

days from when the change is ordered. Nothing in this clause shall relieve Seller from proceeding without delay in the performance of this order as changed.

9. INVOICE AND SHIPMENTS:

Invoices must contain purchase order numbers and should be mailed at the time of each shipment unless otherwise specified. Records resulting from the processing of this order shall be retained for a minimum of (1) year after completion of Gibbs Precision Machine customer's contract, or as otherwise required by that customer. If invoice is subject to cash discount, the discount period will be calculated from the date of receipt of claim or material, whichever is later.

10. F.O.B.:

Unless otherwise agreed to in writing, all delivered terms are to be prepaid. All other freight charges are to be prepaid and charged on the invoice. If cash discount is not permitted on freight charges, then specific notation of this must be shown on the invoice.

11. FEDERAL EXCISE TAX:

The Seller will included all required taxes on the invoice for purchased items marked "Not for Resell" on the purchase order.

12. Non Conforming- Suppliers

Suppliers must meet requirements regarding the need for suppliers to notify Gibbs Precision Machine of nonconforming product, Obtain organization approval product, notify Gibbs Precision Machine of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval, and flow down to sub tier suppliers the applicable requirements in the purchasing documents, including key characteristics.

13. Right of Access

Right of Access shall be granted to Gibbs Precision Machine, its customers, and regulatory authorities, to all facilities involved with the order and to all applicable records, for the purpose of monitoring product quality.

14. Counterfeit Parts

Suppliers will prevent the use of counterfeit parts (See 8.1.4 of the AS9100D/ ISO 9001:2015 Standard)

15. Communication

Suppliers will ensure that persons/ employees are aware of:

- **Their contribution to product or service conformity**
- **Their contribution to product safety**
- **The importance of ethical behavior**

16. AS9100D/ ISO 9001 Quality Management System or equivalent preferred.