

I. APPLICABILITY

The content herein governs the sale of goods to Century Seals Inc. (Buyer) from Potential/Approved Supplier (Seller). Unless otherwise specified, these terms and conditions supersede all other sales conditions and circumstances. This document takes precedence over all alternative forms of communication between the Buyer and Seller that references/suggests additional or different exchange terms.

II. ENTIRETY

The terms and conditions detailed in this document represent the final and complete understanding of the parties and may only be amended/revoked by a mutual written agreement.

III. ORDER

Unless otherwise communicated via email (or other written media), Orders are valid for a period specified by the designated Buyer personnel.

IV. PRICES / PAYMENT

Buyer and Seller are to establish agreed upon pricing prior to Purchase Order confirmation. Payment terms may vary based on the nature of the good/service required and must be communicated to the Seller (including adjustments of previously established payment/prices).

V. DELIVERY

Blanket orders placed between Buyer and Seller shall maintain predetermined quantities, dates, specification requirements. Changes required prior to Blanket Purchase orders are to be agreed upon and communicated in a timely manner. Unless otherwise agreed upon, Lead Times/Delivery Dates shall be met IAW the terms of the Purchase Order

- Adjustments to the promise date(s) are to be communicated to the Buyer and may result in additional costs.

The Seller shall ensure demand and request dates adhere to common practices and industry standards within reasonable expectations.

VI. OWNERSHIP / LIABILITY

Buyer acknowledges ownership of material lots after one (1) year from receipt date. Rejection(s) resulting from designated inspection criteria agreed upon by buyer and seller (*i.e.*; *Drawings, Notes, additional requirements*) must be communicated between both parties before this time period has expired. Seller shall adhere to the replacement/rework based on the cause for rejection and will be held to the applicable requirements specified on original Purchase Order(s).

- Additionally, the seller shall incur the costs of return shipping/handling for the return of designated rejections.

Buyer will not be held responsible for damaged/mishandled product received unless prior written agreements have been established.

VII. DOCUMENTATION PROVISION

Unless otherwise specified, component material vendors shall supply the necessary Certificate(s) of Conformance/Origin, Certificate(s) of Analysis, Dimensional Data as defined by the Purchase Order. Buyers shall specify in the Purchase Order special requirements not expressly stated in their flow-down clauses to the seller. This includes, but is not limited to:

- i. Initial Sample Inspection Report (ISIR)
- ii. First Article Inspection (FAI)
- iii. Special Processes/Testing
- iv. Certification/Documentation Requirements

The Buyer shall acknowledge ownership of the costs specified by the Seller at the time the PO is confirmed.

VIII. COUNTERFEIT MATERIAL

The Seller shall be responsible for all costs associated with the receipt/manufacturing of counterfeit material defined by the latest revisions of ISO9001/AS9100. The Seller shall accept returns as a result of improper documentation / certifications outlined in the Purchase Order and Clause VII included herein. All goods and services provided by the Seller shall include the necessary characteristics specified by the Buyer. The Seller shall knowingly ensure the controls are properly implemented and maintained during/after delivery of all goods and services. Unless otherwise specified, the Seller shall perform the necessary verification and test methodologies required to validate product conformance based on Buyer's customer flow down requirements by the respective trained employment personnel.

- The Seller is required to maintain identification and traceability of goods and services and shall ensure post-delivery activities can be traced to their original authorized manufacturers.

IX. CANCELLATIONS / COSTS

Order cancellations and delivery schedule extensions/changes may only be accepted with mutual buyer/seller consent. Purchase Order Dependent; the Buyer may be responsible for Work In-Process, Tooling Fees, Completed Testing, or other as incurred by the Seller.

- The Buyer is not responsible for associated costs in the event non-conforming/counterfeit material has/will be supplied to Buyer.

X. SUB-TIER / SPECIAL PROCESSES

Unless otherwise specified, external sub-tier providers used by the Seller are subject to the applicable requirements herein and shall inspect/verify products/services accordingly. Customer Designated sub-tier and/or special process providers must be used when specified. Additionally, all relevant documentation must be properly retained IAW the Buyer and made available for review if necessary.

XI. CHANGES / WAIVER

Changes to material, technical specifications, scheduling and delivery, or order cancellations can only be done through written documentation and acceptance of the Buyer and Seller. Unless otherwise specified, additional charges incurred during changes are the responsibility of the Seller. Seller must submit all waivers/requests in writing to the buyer and must be accepted prior to manufacturing/shipping products or services under remedied requirements.

XII. CONFIDENTIALITY

Unless otherwise permitted by Buyer and/or Seller, CSI reserves the right to protect and maintain proprietary information if the associated document contents are determined to be intellectual property, therefore, restricted from public access. The confidentiality clause applies to the buyers, sellers and applicable subcontractors/approved suppliers – Written approval must be documented if permission is granted to share sensitive information elsewhere

XIII. TERMINATION

In the event the Seller breaches / defaults on the terms detailed herein, the Buyer maintains the right to terminate in part, or whole, the applicable Purchase Order without liability. If applicable, Legal Action taken by Buyer is dependent upon the adequacy of actions taken by seller to reconcile contract breach.

XIV. CONDUCT

Seller shall ensure all employees (on/off-site) understand and demonstrate the importance of ethical behavior, as well as their overall contribution to product/service conformity and product safety.

XV. COMPETENCE

The Seller shall ensure all relevant personnel related to the product life cycle are appropriately qualified in accordance with documented organizational, end-user, and industry specific requirements. Competency records must be maintained and available for all qualified persons associated with the product/service interactions and activities.

XVI. RIGHT OF ACCESS

The Seller shall provide the Buyer and/or a specified regulatory/customer agency right of access to the Seller's facility and relevant records for the product ordered by the Buyer.

- The right of access shall include the Buyer's authority to perform a supplier audit with adequate notice.

XVII. NONCONFORMING OUTPUT

All nonconforming products/services that have not been approved of through documented concession shall be communicated to the Buyer prior to release. Product/Services approved by the appropriate Buyer authority will be identified and appropriately dispositioned upon receipt.

XVIII. MISCELLANEOUS

Unique material/tooling, and distinct equipment needs must be determined prior to Purchase Order Confirmation/Issuance.

- The Buyer may be held liable for the costs incurred as a result of additional testing/rework/replacement not originally communicated to the Seller.

The Buyer shall effectively communicate product requirements, and the two parties will mutually establish pricing/provisions and associated cost coverage needed to satisfy product specifications. Product/Service Design and Development shall adhere to the Seller's QMS requirements, as well as ensure output meets the requirements flowed down by the Buyer, relevant customer or end-user.