



Petit Tool/ Petit Tool CNC

Purchase Order Terms and Conditions

The following terms are the "Manufacturing Agreement" and apply between a Fabricator and a Purchaser with respect to any Order in the absence of Custom Manufacturing Terms

- Performance Monitoring:** In accordance with our ISO 9001-based management system, all suppliers of goods or services will be monitored for Quality and Delivery Performance. Suppliers failing to meet our requirements/expectations will be requested to take corrective action. Suppliers that continually fail to meet requirements/expectations may be removed from our approved list.
- Confidential Information:** All supplies, blueprints, sketches, and other technical information furnished by Petit Tool/Petit Tool CNC shall be deemed confidential information of Petit Tool/Petit Tool CNC. Such information shall not be reproduced, given to, or disclosed to any third party without Petit Tool/Petit Tool CNC's express written consent.
- Export Controls/ Technical Data:** Where drawings and/or POs indicate Export Controls may apply, any related information (aka Technical Data) shall be handled as per controls enumerated through the Export Administration Regulations (EAR), implemented by the Department of Commerce for items that have both a commercial and potential military use); the International Traffic in Arms Regulations (ITAR, implemented by the Department of State) for Defense Articles regulated by the DDTC and USML or the Atomic Energy Act for nuclear applications. *Failure to secure such data may be subject to both criminal and administrative penalties* (which may include minimum prison sentences). Fines for export violations, including anti-boycott violations, can reach up to \$1,000,000 per violation in criminal cases, and \$250,000 per violation in most administrative cases.
- DPAS:** Any purchase made referencing Defense Priorities Allocation System (DPAS) *DO* or *DX* Ratings shall be handled per *15 CFR Part 700* in accordance with the Department of Defense (DoD) property management system to ensure **these orders are scheduled and processed ahead of any commercial jobs so as to assure their timely delivery in accordance with Federal law.**
- Flow-down of Requirements:** Petit Tool/Petit Tool CNC requires that you flow down all requirements of this purchase (order) to all interested parties internally and to any sub-tier suppliers performing work on this order.
- US. Government End-Use – Prime Contract Numbers:** U.S. Government end-use or reference to a Prime contract generally indicates defense articles subject to National Security regulations. For such orders, various FAR and/or DFARs clauses may apply. These, at a minimum, shall include *DFARs 252.204-7012* Safeguarding Covered Defense Information (NIST 800-171); *DFARs 252.225-7014* Preference for Domestic Specialty Metals; FAR 52.225-1 Buy American Act (additional information related to FAR clauses applicable to Gov't contracts, see Sec.24, below).. Note: Export Controls (per ITAR/EAR99, etc.) may also apply – See Sec. 5, above; as well as DPAS Requirements (CFR 700) – See Sec. 6, above. If an item on the Purchase Order invokes a military or industry specification (AMS, ASTM, MIL, etc.) without indicating a revision, the revision in effect is as of the date of the Purchase Order. If a revision-controlled document is noted using a revision, the indicated revision of the specification shall be used. If a revision-controlled document without indicated revision is superseded by another document, as stated within its text, the superseding document shall be used. **NOTE: The following DFAR/FAR requirements apply to all government-end-use purchases (see Sec. 19, below).**
- Right of entry:** Petit Tool/Petit Tool CNC, their customers and any applicable regulatory authorities maintain the right to access the supplier's facility and all applicable records associated with the order, during regular business hours, with limited notice.
- Nonconforming material:** Petit Tool/Petit Tool CNC must be notified of nonconforming material in advance of shipment for adequate review and disposition of the said product. All such material must be adequately identified and segregated so as to preclude its use. Final disposition/disposal shall be at Petit Tool/Petit Tool CNC unless otherwise authorized.
- Change of Process or Product:** Petit Tool/Petit Tool CNC must be informed of and must approve any change in processes or products. Without written authorization, process changes are not allowed.
- Certification, Inspection, etc.:** Petit Tool/Petit Tool CNC may require certifications of compliance, inspection records, and/or test specimens as part of this purchase order. Failure to provide these items may result in the rejection of the shipment.



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11. **Counterfeit Parts/Materials:** The Supplier shall certify that only new and authentic materials are used in products or goods delivered to Petit Tool/Petit Tool CNC and that the products/goods delivered contain no Counterfeit Parts. No substitutions, reworked, or refurbished parts/materials shall be acceptable under the terms of this purchase.
12. **Conflict Minerals:** Seller hereby certifies and represents to Petit Tool/Petit Tool CNC that the products do not include any Conflict Minerals or any of their derivative products as those terms are defined in Section 1502 of the Dodd–Frank Wall Street Reform and Consumer Products Act, and regulations issued thereunder by the Securities and Exchange Commission, Seller further agrees to cooperate with and provide such reasonable assistance to Petit Tool/Petit Tool CNC as may be required to meet its reporting obligation under the Act.
13. **Packaging and Handling:** As a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration, and physical damage during shipment. In addition, when materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified. Vendors are also responsible for handling damage that occurs at their location. Furthermore; Limited Warranty; Remedy. Fabricator represents and warrants to the Purchaser (and not to any third party) that for a period of ten (10) business days following the delivery of the Part (the "Warranty Period"), that the Part shall conform to the Specifications for such Part.
14. **Retention Requirements:** Records, whether hard copy or in electronic format, including any test/retain samples, shall be retained for no less than 10 years unless otherwise specified. After ten years, the supplier will contact Petit Tool/Petit Tool CNC for approval before disposing of the records.
15. **Revision Levels/Traceability:** As appropriate, any correspondence, including certifications relating to this purchase, must reference, as applicable, the current PO, Work Order, Part number, Drawing Revision, batch number, etc.
16. **Calibration System:** All Suppliers should maintain a calibration system in accordance with the requirements of ISO 17025, ISO 10012; ANSI Z-540-1, ANSI Z540-3, as appropriate. All Inspection Measuring & Test Equipment (M&TE) used by the Supplier during in-process and final inspection to make a compliance evaluation shall be calibrated against measurement Standards traceable to NIST or an equivalent NMI.
17. **Sampling:** Where sampling plans are used to accept product, unless otherwise specified, all such plans shall be statistically valid and based on either MIL-105 E or ANSI Z1.4 and shall yield no less than an Acceptable Quality Level (AQL) of 2.5 (Normal Inspection).
18. **Questions:** All questions concerning quality control/assurance requirements are resolved by contacting the Petit Tool/Petit Tool CNC Quality Department at russ@petittool.com
19. **FAR/DFARS Clauses Applicable to all Government Contracts:** (see Sec. 8, above): Note: Listed DFARS clauses are incorporated herein as if set forth in full text unless made inapplicable by their corresponding notes, if any. If any of the following DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting: 1. 252.204-7000 "Disclosure of Information" (Applicable to Purchase Orders when the supplier will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public.) 2. 252.204-7008 "Export-Controlled Items" 3. 252.208-7000 "Intent to Furnish Precious Metals as Government-Furnished Material" (Applicable to Purchase Orders when the item being purchased contains precious metals.) 4. 252.209-7004 "Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country" 5. 252.211-7003 "Item Identification and Valuation" (Supplier's obligations under this clause are limited to cooperating with Buyer's efforts to comply with this clause, including granting Buyer access to Supplier's deliverables at its facilities and to appropriate property records.) 6. 252.211-7007 "Reporting of Government-Furnished Property" (Applicable to Purchase Orders when FAR Clause 52.245-1 is contained in the prime contract and Supplier is in possession of Government Property. Supplier will comply with paragraph (d) of this clause.)
20. **Cap on Liability:** Under no circumstances will the fabricator be liable to purchaser for more than the greater of (I) the amount paid by purchaser during the twelve month period immediately preceding the event(s) giving rise to liability hereunder, or (II) one hundred dollars (\$100). Certain jurisdictions do not allow the exclusion or limitation of certain damages. If these laws apply to purchaser, some or all of the above limitations or exclusions may not apply to purchaser, and purchaser might have additional rights.
21. **Compliance with Laws, Executive Orders, and Regulations:** Supplier warrants that the goods and services supplied hereunder will have been produced or provided in compliance with, and Supplier will comply with, all applicable laws, orders, rules,



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regulations, ordinances and conventions, including without limitation, those that relate to equal employment opportunity, wages, hours and conditions of employment, discrimination, occupational health/safety motor vehicle safety, environmental matters, and anti-bribery, including without limitation, the US Foreign Corrupt Practices Act, US Anti-Kickback Act, and the UK Bribery Act. No good supplied hereunder shall contain any mineral that directly or indirectly finances any armed group that has been identified as a perpetrator of human rights abuses, including without limitation those defined as conflict minerals in the rules issued under Section 13(p) of the Securities Exchange Act of 1934.

22. **Force Majeure:** Neither party shall be liable to the other for any delay or failure in performing its obligations under this Order to the extent such delay or failure is caused by an event or circumstance that is beyond that party's reasonable control, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (a "Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosions, epidemics, war, invasion, hostilities, terrorist acts, riots, strikes, embargoes, or industrial disturbances. Seller's economic hardship, labor difficulties, or changes in market conditions are not considered Force Majeure Events. Seller shall use all diligent efforts to immediately notify Buyer in writing of any actual or potential Force Majeure Event, end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under this Order. If a Force Majeure Event prevents Seller from carrying out its obligations under this Order for a continuous period of more than ten business days, Buyer may terminate this Order immediately by written notice.
23. **No Third-Party Beneficiaries:** This Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.
24. **Governing Law:** All matters arising out of or relating to this Order shall be governed by and construed in accordance with the laws of the State of Connecticut without giving effect to any choice or conflict of law rule that would cause the application of the laws of any other jurisdiction.
25. **Submission to Jurisdiction:** Any legal suit, action, or proceeding arising out of or relating to this Order shall be instituted in the federal courts of the United States of America or the courts of the State of Connecticut in each case located in a City and County in Connecticut, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.
26. **Indemnification.** Purchaser agrees to indemnify and hold harmless Fabricator and its officers, directors, shareholders, agents, licensees, employees, successors and assigns, from and against any and all damages, liabilities, awards, losses, costs and expenses including, without limitation, reasonable attorneys' fees and court costs: (i) arising out of any breach by Purchaser of any undertaking, warranty, representation or agreement contained herein; (ii) arising out of a claim that a Part manufactured by the Fabricator pursuant to an order hereunder violates any law, regulation or ordinance; (iii) arising out of a claim with respect to the Part (whether arising out of product liability, strict liability, negligence or otherwise), including claims related to any injury, death or damage to any person or property caused by the Part; or (iv) arising out of any claim that any Specification, or Part made in compliance with the Specification, or the manufacturing of the Part, infringes upon or violates any patent, trade secret, copyright, trademark, service mark, right of publicity or other right of any third party.
27. **Notices:** All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of this Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees prepaid), facsimile (with confirmation of transmission), or certified mail (return receipt requested, postage prepaid). Except as otherwise provided in this Order, a Notice is effective only upon receipt of the receiving party and if the party giving the Notice has complied with the requirements of this Section.
28. **Severability:** If any term or provision of this Order is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Order or invalidate or render unenforceable such term or provision in any other jurisdiction.
29. **Survival:** Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following provisions: Set-off, Warranties, Indemnification, Intellectual Property, Indemnification, Insurance, Compliance with Laws, Confidentiality, Governing Law, Submission to Jurisdiction and Survival.



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