

SUPERIOR GRINDING & SALES, INC. SUPPLIER (VENDOR) . TERMS AND CONDITIONS

DELIVERY: Overages/Shortages must be approved by the buyer prior to shipment and indicated on your packing slip. Early shipments in excess of 5 days are unacceptable unless authorized by the buyer.

ACCEPTANCE: Commencement of performance pursuant to this Purchase Order constitutes acceptance hereof by the supplier.

CERTIFICATIONS: Material, Processing and Machining suppliers are to provide all pertinent test reports/certifications unless otherwise specified.

TRACEABILITY: The supplier shall maintain traceability throughout the process and clearly label heat lots upon delivery to Superior Grinding.

ASSIGNMENT: Supplier shall not delegate any duties, nor assign any right or claims under this Purchase order, or reach thereof, without prior consent of Superior Grinding.

INSPECTION: All items and goods delivered are subject to inspection and approval by Superior Grinding before acceptance. Machined components requiring NDT are subject to rejection based on NDT results. **RIGHT OF ENTRY:** Supplier grants Superior Grinding, its agents, representatives and customers, at all practical times and at the supplier's location, the right to enter and inspect, review and audit all items that in any way relate to this order, before, during, and after production at any level of the supply chain.

SINGLE HEAT LOTS: Supplier shall send one heat lot per line item. Multiple heat lots per line item must be approved by buyer prior to shipment.

QUALITY SYSTEMS: The supplier shall implement a quality management system.

QUALITY: Supplier shall notify Superior Grinding of any nonconforming product/material

NONCONFORMING MATERIAL: The supplier shall make arrangements for Superior Grinding approval of supplier nonconforming material.

SPECIFICATIONS: Supplier to use the most current revision of the specification unless otherwise specified.

GOVERNMENT, SAFETY AND ENVIRONMENTAL REGULATIONS: All purchased materials shall satisfy current governmental, and safety constraints on restricted, toxic and hazardous materials; as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale.

SUB-TIER SUPPLIERS: After consent of Superior Grinding to assign, the supplier shall flow down to their sub-tier suppliers the applicable requirements, including customer requirements.

EQUAL OPPORTUNITY CLAUSE: All parties agree that they will abide by the provisions of 41 CFR 60-1.4(a) or 41 CFR 60-1.4(b), as appropriate.

CHANGES: Supplier is to notify Superior Grinding of any changes in their product and/or process, changes of suppliers and changes of manufacturing location.

RECORD RETENTION: Supplier is required to maintain all records pertaining to this order. Contact Superior Grinding before disposal of records for retention requirements.

HANDLING: When Superior Grinding sends parts to supplier for processing, supplier is responsible for inspecting incoming parts for nicks, dings or 'transportation' damage. If supplier discovers 'transportation' damage, pictures of damage are to be sent to Superior Grinding buyer to determine if rework is required prior to supplier proceeding. If no damage is noted by supplier at incoming, any damage found upon return of parts to Superior Grinding is assumed to be supplier caused; rework/scrap costs will be allocated accordingly.

ROHS: For orders requiring ROHS compliance, certification must state "ROHS Compliant"

ASL: If supplier is made aware of being removed from an Approved Supplier List(s) (ASL), supplier shall notify Superior Grinding of removal.

CONFLICT MINERALS: Gold, Tin, Tantalum & Tungsten materials must be DRC (Democratic Republic of Congo) conflict free sourced per the requirements of the Dodd Frank Act. Please provide approved smelter name on certification if these materials are used.

INSURANCE: Suppliers performing manufacturing and/or processing are required to provide proof of General Liability and Workman's Compensation Insurance.

WORKMANSHIP: In the absence of a customer manufacturing and/or workmanship spec referenced on the drawing, use Superior Grinding Workmanship specification unless otherwise specified on PO. Spec available upon request to Superior Grinding Buyer.

RECEIVING INSPECTION: Sample size (AQL) will be inspected by Superior Grinding. If discrepant parts are found in sample, entire lot shall be rejected, returned and sorted by the supplier. **AWARENESS:** Suppliers are to be aware of their contribution to product conformity, product safety, and the importance of ethical behavior.

COUNTERFEIT PARTS: Supplier shall prevent the use of counterfeit parts as per the standard AS6174.

CUSTOMER DESIGNATED SOURCES: Supplier is to use customer designated or approved suppliers (including process sources). Contact Superior Grinding purchasing for approved sources before

Sub-contracting with sub-tier suppliers.

NON DISCLOSURE: This order is subject to all sections of the non-disclosure agreement that was signed by the supplier of goods or services requested on this PO.

Quality Approval: _____ Date: _____

Authorized Signature: _____

Acknowledged By: _____