



Terms & Conditions of Purchase

SELLER'S ACCEPTANCE

Acceptance of this order is limited to the following terms and conditions. No modification will be effective and no additional or different terms will become a part of the contract unless agreed to in writing by Buyer's authorized representative.

PRICES

Seller's prices will not be higher than stated on the Purchase Order unless otherwise agreed to in writing by an authorized employee of Buyer. No charges by Seller will be allowed for transportation, reels, drums, boxing, crating, or other packaging unless agreed to herein. The price quoted herein includes an allowance for all taxes levied by any government authority, which the Seller is required to pay or collect.

DELIVERIES

Buyer's production schedules are based upon Seller's assurance of delivery to Buyer by the date specified on the face of this order. TIME IS OF THE ESSENCE IN THIS AGREEMENT. If late deliveries are made Buyer may purchase elsewhere, and/or hold Seller accountable for all damages, direct and indirect, resulting from Seller's failure to deliver on schedule. Early deliveries are subject to Buyer's approval. **Packing slips must be enclosed with all shipments showing order number, job number, lot number, if any, and quantity. Labels must be affixed to any raw materials. It should contain the information listed above.**

SUSPENSION OF DELIVERY

Buyer will have the right to suspend shipment of all or part of this order in the event of matters beyond its control affecting Buyer's need for the goods ordered, without limitation acts of God, war riots, embargoes, acts of civil or military authorities, fires, floods, nuclear incidents, quarantine restrictions, supplier conditions, strikes, differences with workman, delays in transportation, shortage of cars, fuel, labor or materials. Buyers will not be liable for damages of any kind by reason of such suspensions.

CANCELLATION

Buyer will have the right of cancellation without having further liability to Seller if materials or service furnished hereunder do not strictly conform to specifications of Buyer. Buyer may also terminate this order in whole or in part any time for any reason whatsoever by written or emailed notice. Upon receipt of such a notice, Seller will to the extent directed to the Buyer, terminate work under the Agreement and any subcontracts outstanding hereunder and take any necessary action to protect property in Seller's possession in which the Buyer has or may acquire an interest. The only liability of Buyer for cancellation of this order in whole or in part is reimbursement to Seller for all direct costs incurred by Seller for this order as of the time of receipt of the cancellation notice, less the greater of either any amounts received by the Seller on resale of such work in process or the reasonable value of such work in process. Such payment by Buyer will be in full satisfaction of all claims that Seller may have against the Buyer under this order of for the cancellation.

CHANGES

Buyer may, from time to time, without notice to any sureties or assignees, change packing, testing, destinations, specifications and designs and may delay delivery schedules. Seller will immediately notify Buyer of any increases or decreases in costs caused by such changes and an equitable adjustment in prices or other terms hereof will be agreed upon written amendment to this purchase order.

BLANKET PURCHASE ORDERS

If the goods purchased are covered by a blanket purchase order, Seller will not make any shipment or issue any invoices until Buyer issues a release purchase order. Unauthorized shipments will be held at Seller's risk and expense. A blanket purchase order authorizes Seller to produce raw materials sufficient to meet delivery of the entire quantity of the blanket purchase order, but only to manufacture and deliver such respective quantities at such respective times as is indicated on the production schedule which is made a part of the blanket purchase order. Buyer will not be liable for manufacturing before the time, or in excess of the quantities required to meet the delivery schedule.

QUANTITIES

Shipment must equal exact amounts ordered unless otherwise agreed to in writing by an authorized agent of Buyer.

WARRANTIES

Seller warrants that all materials or services delivered hereunder are free from defects in materials, and/or workmanship and conform strictly to the applicable revisions of specifications, drawings, or samples specified or furnished to Seller. In the absence of specific revisions identified on purchase documentation, seller will use the latest version of the specifications involved. To the extent that such

materials or services are not furnished pursuant to design furnished by Buyer, they will be free from defects in design and suitable for their intended purposes. Seller must notify if an item is substituted and Buyer must approve its use. Seller also warrants that the flow down of requirements in our purchasing documents to any sub-tier suppliers has been met. These warranties will survive any inspection, delivery, acceptance, payment or use by the Buyer or its customers of the materials or services and will run to the Buyer, its successors, assigns, customers and users of its products and each of them from and against any and all loss, injury and damages suffered by them and against any and all suits, proceedings in law or in equity, and any and all liability for losses, injuries and damages, including all reasonable attorney's fees, arising out of or in connection with any claim by any person, firm or organization, including the Buyer, that the materials or services furnished by Seller are or were defective, infringing or injurious in any manner.

TRAFFIC ROUTING

Any losses resulting from deviation from the Buyer's routing instructions will be charged to Seller's account and may be set off against amounts due to Seller under this Agreement. The Buyer reserves the right to specify routing on all materials sold F.O.B. point of shipment. If not routed by the Buyer, the Seller will move the material by the most economical route.

VERIFICATION AND INSPECTION

Final inspection will be on Buyer's premises unless otherwise agreed in writing. Materials rejected, as not conforming to the Agreement will be returned at Seller's expense, including transportation and handling costs. Where re-work is required to meet specification requirements, such re-work shall be arranged for by Seller at no cost to Buyer. Parts damaged beyond repair by the Seller, will be compensated to the Buyer at cost to remanufacture or re-purchase damaged item. Buyer may also delegate product verification to the seller. When Buyer's purchase order indicates "Drop Ship" completed product to an address other than that of the Buyer, a delegation of verification is assumed. Seller must follow internal procedures to verify purchased products. These may include inspection and audit at the source, review of required documentation, and inspection of products at delivery. By submitting shipping documentation and/or invoices to Buyer for work performed and shipped to the "Drop Ship" location, Seller is certifying that the required product verification has been completed successfully.

SUPPLIER DISCLOSURE NOTIFICATION

(AS9100 Rev. B para 7.4.2g) Suppliers are required to notify R & S Machining on all known non-conformances, which have already shipped to R & S Machining and/or R & S Machining's customers. Notification shall be timely and in writing. If an R & S Machining's customer contacts the Supplier directly on a non-conformance issue, the Supplier shall notify R & S Machining in a timely manner and supply R & S Machining with all the same data/information supplied to R & S Machining's customer. Non-Conforming products that have not shipped must be dispositioned and approved by the Buyer, prior to shipment. Quality records shall be maintained for a minimum of seven (7) years from the date of final payment. At any time during the retention period, at Buyer's request the supplier will deliver said records, or any part thereof, to Buyer at no additional cost. Also notify R & S Machining of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval.

RIGHT OF ACCESS

Buyer reserves the right of access to verify or have its customer or regulatory authorities verify conformance to requirements at all Sellers' facilities involved in the order and all applicable quality records. When this right is deemed necessary to utilize with an order, the Buyer will define specific verification arrangements and the method of product release on the purchase order.

BUYER'S PROPERTY

All material, including tools or machines, furnished or specifically paid for by Buyer, will be subject to removal at all times without additional costs upon demand by Buyer, will be used only for filling orders from Buyer, will be kept separate from other materials or tools, will be clearly identified as the property of Buyer will be insured by Seller with loss payable to Buyer and will be kept confidential. Seller assumes liability for all loss or damage, excepting normal wear and tear to such materials, and agrees to supply detailed statements on the material as requested by buyer.

STATUTORY COMPLIANCE

Seller warrants that all materials and services furnished under this contract, including the manufacture and sale thereof conform to all applicable federal, state and local statutes, regulations and ordinances, including the Fair Labor Standard Act of 1938 as amended. Seller further certifies and warrants that, to the extent by law, it is in full compliance with all of the provisions of the Equal Employment Opportunity Clause issued under Executive Order 11246.

WAIVER

No delay or failure by Buyer in exercising any rights under this Agreement and no partial exercise thereof will constitute a waiver of any rights hereunder. Invoice will be paid per Buyer's payment policy. Discount terms should be from either the date of receipt of the invoice or the receipt of the material whichever is latest. This agreement is to be governed by the laws of the state of Missouri.