

1.0 Acceptance

Supplier (including Supplier as Bidder or Offeror) shall accept this Purchase Order (PO) and any amendments thereto in writing or by commencement of performance. By acceptance of this PO, Supplier agrees to comply with all of its terms and conditions and all specifications and other documents to which the PO and documents attached hereto refer. Washington Equipment Manufacturing Company, (WEMCO) hereby objects to any terms and conditions contained in any acknowledgement of this PO which are different from or in addition to those recited herein. Failure by WEMCO either to enforce at any time any of the provisions hereof or to protest at any time any breach or default thereof shall not be construed as evidence to interpret the requirements of this PO, nor as a waiver of the requirements of such provisions, nor of the right of WEMCO thereafter to enforce each and every such provision. WEMCO's approval of documents shall not relieve Supplier from compliance with specifications related to this PO. All rights and obligations hereunder shall survive final performance of this PO.

2.0 Assignment and Subcontracting

The Supplier agrees not to assign, transfer or subcontract all or part of the Order, including the rights and obligations pertaining thereto, to a third party except with the Buyer's prior written consent. Notwithstanding approval of the Buyer to the Supplier's subcontracting all or part of the execution of the Order, the Supplier remains solely responsible to the Buyer for its obligations under this agreement.

3.0 Quality

All Suppliers must comply with all requirements listed on the PO as well as requirements contained in this document. In addition, suppliers are required to notify WEMCO of nonconforming product, obtain WEMCO approval or disposition for nonconforming product, notify WEMCO of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain WEMCO approval. We require record retention of 7 years unless otherwise stated on the purchase order.

4.0 Flow Down

- 4.1 Supplier and its subcontractors must use only customer-approved special processors and manufacturers' authorized distributors, as specified in the contract or engineering drawings. Supplier must flow down to sub tier suppliers all the terms and conditions and design requirements as stated by WEMCO including key characteristics where required.
- 4.2 The Supplier warrants that all Goods delivered under this purchase order are free from defects in design, and all material and workmanship conform to applicable description, specifications and drawings and are suitable for the purpose intended. Should the Goods not comply with the Specifications, the Supplier agrees to, at WEMCO's option, and free of charge, (i) repair or replace the Equipment or correct the service, or (ii) reimburse WEMCO for the price of the Equipment, or the price of the part used for the service, or reimburse WEMCO for the price of the service (as the case may be). The Supplier shall bear all expenses resulting from any default of the Supply, and in particular the cost of parts, labor, dismantling, transport, customs and reassembly of the parts.
- 4.3 Without prejudice to the above, during the duration of the warranty set forth below, the Supplier agrees to assign a technician, free of charge, within two (2) days and to recommission the Equipment within a period of ten (10) days from the date of notification from WEMCO to the Supplier that the Equipment fails to conform to the Specifications. In the event the Supplier fails to perform the warranty within these time periods, the Supplier shall be liable to pay WEMCO late penalties in an amount of 0.1 percent of the value of the faulty Equipment per working day of delay.
- 4.4 Unless otherwise provided for in the Order or in the Specific Contract, the duration of the warranty is one (1) year from the Final Acceptance Report of the Goods. In the event of repair or replacement of a Supply under the warranty, the contractual warranty shall be renewed under the same conditions.

This warranty clause is without prejudice to compensation for all losses sustained by WEMCO.

5.0 Right to Inspect / Right of Access

- 5.1 By acceptance of this order, the supplier agrees to allow WEMCO, our customer and/or their representative the right to verify at supplier's premises that product conforms to specified requirements including but not limited to all applicable records and processes, including regulatory authorities to the applicable areas of the facilities, at any level of the supply chain, involved in the order and to all applicable records.

All inspections and tests shall be performed in such a manner as not to delay the work unduly.

6.0 Changes, Reschedules, and Cancellations

- 6.1 Product changes must be authorized by WEMCO prior to implementation.
- 6.2 The Supplier is responsible to manage to contract dates. Schedule change requests must be addressed immediately with WEMCO and be accompanied by justifiable documentation. It is at the discretion of WEMCO to accept and modify contract dates.
- 6.3 The Supplier is responsible to manage to contract costs. Statement of work and/or other pertinent change requests must be address immediately with WEMCO and be accompanied by justifiable documentation. It is at the discretion of WEMCO to accept modifications to the contract price.

7.0 Transportation

Supplier shall bear all risk of loss during transportation.

8.0 Delivery

All parts and equipment shall be subject to WEMCO inspection and approval and/or inspection and approval by WEMCO's subcontractors. 100% inspection is required for all tools. Acceptable tool inspection results report will be retained and presented to WEMCO prior to product acceptance. Packaging shall be carried out in compliance with the specifications, regulations and standards in force and must provide sufficient protection to ensure that the Supply undergoes no deterioration or damage during transport and storage.

9.0 Payment

Unless otherwise provided, terms of payment shall be net 60 days from WEMCO's receipt of Supplier's correct invoice.

10.0 Termination of Contract

- 10.1 WEMCO may, by written notice of default to Supplier, terminate this PO in whole or in part if the Supplier fails to 1) Deliver the goods or to perform the services within the time specified in this PO or any extension, or 2) make progress, so as to endanger performance of this PO, or 3) perform any of the other provisions of this contract and in either of these latter two circumstances does not rectify such failure within ten days (or such longer period as WEMCO may authorize in writing) after receipt of the notice from WEMCO specifying the failure.
- 10.2 If this PO is terminated for default, WEMCO may require Supplier to deliver to WEMCO any supplies and materials that Supplier has specifically produced or acquired for the terminated portion of the PO. WEMCO shall pay the PO price for completed supplies delivered and accepted. WEMCO and Supplier shall agree on the amount of payment for all other deliverables.

11.0 Entrusted Property

- 11.1 All Entrusted Property is to be reserved by The Supplier exclusively to the performance of the Buyer's Orders and is deemed to be loaned pursuant 10 articles 1875 et seq. of the Civil Code. Entrusted Property remains the property of the Buyer, of the person who entrusted it to the Buyer or of the Final Client. It must be identified as such and stored in such a way as to avoid any confusion with property belonging to the Supplier or to third parties. Any modification, in particular repair or modernization, or any destruction or The Entrusted Property is subject to the Buyer's prior written consent.
- 11.2 The Supplier shall return the Entrusted Property, compliant and in good condition, upon The Buyer's first request. At the time that the Entrusted Property is returned to the Buyer, the Buyer and the Supplier shall carry out a joint inventory.

- 11.3 In the event that a direct or indirect act of anyone infringes the property right in the Entrusted Property of the Buyer, of the person having entrusted the property to The Buyer or of the Final Client (as appropriate), the supplier shall notify the Buyer thereof in writing at once, take all measures to defend this right and cause such infringement to cease.

12.0 Force Majeure

- 12.1 The Supplier shall inform the Buyer by registered letter, return receipt requested, within five calendar days from the occurrence of an event of force majeure preventing it from performing its obligations under this Agreement. Should the event of force majeure persist for more than one month from the date of the letter specified above, the Buyer reserves the right to cancel the Order.
- 12.2 For the purposes of this clause, only occurrences satisfying all the following conditions may be considered events of "force majeure";
- a) Such event(s) shall be irresistible and unforeseeable; i.e. completely beyond the Supplier's control.
 - b) The Supplier shall have no way of avoiding the effects or mitigating the consequences thereof.
 - c) Following these events, the Supplier shall have been absolutely unable to deliver on the agreed date.

13.0 Governing Law

- 31.1 Unless otherwise agreed in writing, the terms and conditions set forth herein shall be governed by and construed under the laws of the State of Washington. Any arbitration, enforcement of an arbitration or litigation will be brought exclusively in Spokane County, Washington, and customer consents to the jurisdiction of the federal and state courts located therein, submit to the jurisdiction thereof and waves the right to change venue. No actions arising out of the sale of the items sold hereunder or this agreement may be brought by either party more than two years after the cause of action arises.

14.0 Ethics, Fraud, & Product Safety Flow Down

- 14.1 WEMCO is dedicated to providing its customers with safe products that meet or exceed their expectations. All WEMCO employees, subcontractors, and suppliers are responsible for immediately reporting any part or product nonconformance, damage, and/or risks factor that may compromise the safety, form, fit, or function of a product throughout its lifecycle.
- 14.2 WEMCO commits to the following statements and requires employees, customers, subcontractors, suppliers and sub-tier suppliers to apply the same principles:
- To ensure our top priority is the safety of ourselves and others*
 - To ensure product safety*
 - To avoid activities or organizations that do harm to others or the environment*
 - To protect the privacy of our customers and their intellectual property*
 - To deliver value through excellence in workmanship*
 - To treat customers and suppliers fairly and honestly*
 - To accurately record and report data from inspections and business functions*
 - To actively investigate, report, and resolve any improper, unethical, or illegal actions*
- 14.3 WEMCO commits to preventing the purchase or use of counterfeit parts and we require the same flow down from our subcontractors, suppliers, and sub-tier suppliers. We have implemented the use of a controlled list of trusted suppliers where parts are sourced from original manufacturers, authorize distributors, or approved sources that can provide traceability of parts or components to their original manufacturer. If at any time we suspect that a part may be counterfeit, it will be treated as non-conforming and will be quarantined and reported through the appropriate government and industry reporting systems.

15.0 AS 9100 / ISO 9001 Flow Down

- 15.1 AS9100 D section 8.4.3 A-M are required to be reviewed and complied with for each purchase order in addition to the requirements as stated in this document. The SAE AS9100 D standard can be found at www.sae.org/standards.