

1. **PRICES AND TAXES** The acceptance of this purchase order constitutes a warranty that the prices to be charged for articles or service ordered do not exceed the lowest price charged to any other customer for similar quantities and delivery requirements. Unless otherwise specified, the prices set forth in this purchase order include all applicable federal, state, and local taxes.
2. **INVOICES** Seller will submit invoices in duplicate showing the following information: purchase order number; item number; description; size of item; quantity of item; unit prices; each applicable tax; extended totals; and any other information specified elsewhere herein. Payment of invoice will not constitute acceptance of goods and will be subject to adjustment for errors, shortages, defects in the goods or other failure of Seller to meet the requirements of this purchase order. Buyer may at any time set off any amount owed by Buyer to Seller against any amount owed by Seller or any of its affiliated companies to Buyer.
3. **DISCOUNTS** Time in connection with any discount offered by Seller will be computed from the latest of (i) the scheduled delivery date, (ii) the date of actual delivery, or (iii) the date an acceptable invoice is received. For the purpose of earning the discount, payment will be deemed to have been made on the date of mailing of Buyer's check.
4. **OVERSHIPMENTS** Buyer will pay only for maximum quantities ordered. Over-shipments will be held by Buyer at Seller's risk and expense for a reasonable time awaiting shipping instructions. Return shipping charges for excess quantities will be at Seller's expense.
5. **PACKING & SHIPMENT** Unless otherwise specified, when the price of this purchase order is based on the weight of the ordered goods, such price is to cover only the net weight of material ordered, and no charges will be allowed for packing, handling, transportation, storage or other packing requirements. Unless otherwise specified, Seller will package and pack all goods in a manner which is (i) in accordance with good commercial practice, (ii) acceptable to common carriers for shipment at the lowest rate for the particular goods, (iii) in accordance with ICC regulations, and (iv) adequate to insure safe arrival of the goods at the named destination. Seller will mark all containers with necessary lifting, handling and shipping information and with the purchase order numbers, date of shipment and the names of the consignee and consignor. An itemized packaging list must accompany each shipment. No partial or complete delivery will be made prior to the due dates or dates shown unless Buyer has given prior written consent.
6. **F.O.B. POINT** Unless otherwise specifically provided on the face of this order, the products ordered hereunder will be delivered on an F.O.B. Factory basis.
7. **WARRANTIES** (a) Seller warranties that all goods delivered (i) will be free from defects in workmanship, material and manufacture, (ii) will comply with the requirements of this purchase order, including any drawings or specifications incorporated herein or samples furnished by Seller, and (iii) where design is Seller's responsibility, will be free from defects in design. Seller further warrants that all goods purchased hereunder will be of merchantable quality and will be fit for the purposes intended by Buyer. The foregoing warranties constitute the conditions to this purchase order. The are in addition to all other warranties, whether express or implied, and will survive any delivery, inspection, acceptance or payment by Buyer. All warranties run to the benefit of Buyer and its customers. (b) Buyer approval of Seller's material or design will not relieve Seller of any warranties. (c) If any goods delivered do not meet the warranties specified herein or otherwise applicable. Buyer

may, at its option, (i) require Seller to correct any defective or nonconforming goods by repair or replacement at no cost to Buyer, or (ii) return such defective or nonconforming goods itself and charge Seller with the cost of such correction.

8. **INSPECTION AND ACCEPTANCE** Notwithstanding any prior inspection or payments, all goods will be subject to final inspection and acceptance at Buyer's plant within a reasonable time after delivery. IN case any item is defective in material or workmanship, or otherwise not conformity with the requirements of this order, Seller shall notify Buyer, and Buyer will have the right to reject it, to require its correction or to accept it with an adjustment in price. Any item that has been rejected or required to be corrected must be replaced or corrected by an at the expense of Seller promptly after notice. If, after being requested by Buyer, Seller fails to promptly replace or correct any defective item, then Buyer (i) may, by contract or otherwise, replace or correct such item and charge to Seller the cost occasioned thereby, (ii) may, without further notice, cancel this purchase order for default in accordance with Item 10 below, or (iii) may require appropriate reduction in price.
9. **CHANGE ORDERS** (a) Buyer may at any time, by a written order, suspend performance hereunder, increase or decrease the ordered quantities, change the due date or make changes in any one or more of the following: (i) applicable drawings, design or specifications, (ii) method of shipment or packaging; and/or (iii) place of delivery. (b) If the change causes an increase in the cost or the time require by Seller for performance of this purchase order and Seller so notifies Buyer, then an equitable adjustment will be made in the order price or delivery schedule or both, and the purchase order will be modified accordingly in writing. No claim by Seller for such an adjustment will be valid unless asserted within (20 days from the date of receipt by Seller of the notification of change; provided, however that such period may be extended upon the written approval of Buyer. (c) Nothing in this item 9 is intended to excuse Seller from proceeding with this purchase order as changed or amended.
10. **CANCELLATION FOR DEFAULT** (a) it is understood and agreed that time is of the essence for this order because the goods or services ordered herein are needed for products of Buyer that have a very short, carefully timed market life; failure of Seller to deliver on the due date could cause Buyer's products to become unmarketable. Buyer may by written notice, cancel this order in whole or in part if, in Buyer's good faith-opinion, Seller (i) has failed to make the delivery of the items or perform the services within the time specified herein, or any extension thereof by written change order or amendment; or (ii) has failed to correct or replace defective items in accordance with the provisions of item 7 and 8 above; or (iii) has failed to perform any of the other provisions of this purchase order; or (iv) has so failed to make progress under this purchase order as to endanger performance in accordance with its terms. (b) If this purchase order is cancelled for the Seller's default, Buyer may deem appropriate, goods or services similar or substantially similar to those canceled. Seller will then be liable to Buyer for any excess costs occasioned thereby. (c) If all or a portion of this purchase order is cancelled for Seller's default, Buyer may require Seller to transfer title and to deliver to Buyer, (i) all completed items and material that Seller has produced or acquired for the performance of the terminated portion. Seller will, upon direction of Buyer, protect and preserve the property listed in this paragraph that is in the possession of the Seller. Payment for completed items delivered to and accepted by Buyer under this paragraph will be in an amount (not to exceed the contract price) agreed upon by Seller and Buyer; however, Seller's obligation to carry out Buyer's direction as to delivery, protection and

preservation of the property will not be contingent upon proper agreement as to such amount. (d) Nothing in this item 10 is intended to excuse Seller from proceeding with any un-cancelled portion of this purchase order.

11. **TERMINATION FOR CONVENIENCE** (a) At any time for convenience, Buyer may terminate work under this purchase order, in whole or in part, by written or telegraphic notice. (b) Upon such termination, Seller will, to the extent and at the times specified by Buyer, stop all work under this purchase order, place no further orders for material to complete the work, assign to Buyer all Seller's interests under terminated subcontracts and orders, settle all claims there under after obtaining Buyer's approval, protect all property in which Buyer has or may acquire an interest, and transfer title and make delivery to Buyer of all articles, materials, work in process and other things held or acquired by Seller in connection with the terminated portion of this purchase order. Seller will proceed promptly to comply with Buyer's instructions respecting each of the foregoing without awaiting settlement or payment of its terminations claim. (c) Within six (6) months after such termination, Seller may submit to Buyer its written claim for termination charges, in the form and with the certifications prescribed by Buyer. Failure to submit the claim within six months will constitute a waiver of all claims and a release of all Buyers' liability arising out of the termination. (d) The parties may agree upon the amount to be paid Seller for such termination. If they fail to agree, Buyer will pay Seller the following amounts: (i) The contract price for all items completed or services rendered in accordance with this purchase order and not previously paid for. (ii) The actual costs incurred by Seller which are properly allocable under recognized commercial accounting practices to the terminated portion of this purchase order, plus a fair and reasonable profit on such costs. If it appears that Seller would have sustained a loss on the order, no profit will be allowed and an adjustment will be made reducing the amount of the settlement to reflect the indicated rate of loss. (iii) The reasonable costs incurred by Seller in making settlement hereunder in protecting property in which Buyer has or may acquire an interest. € Payments made under items 11 (d) (1) and (11) above may not exceed the aggregate price specified in this purchase order less payments otherwise made or to be made. Any amounts payable for property lost, damaged, stolen or destroyed prior to delivery to Buyer will be excluded from amounts otherwise payable to Seller under this item 11.
12. **RISK OF LOSS OR DAMAGE** Notwithstanding any prior inspections or irrespective of the F.o.b. POINT MAMED HEREIN, Seller will bear all risk of loss, damage or destruction to the ordered goods until final acceptance of the goods by Buyer at destination. Seller will bear the same risk with respect to any goods rejected by Buyer. The buyer, however, will be responsible for any loss occasioned by the gross negligence of its employee's acting within the scope of their employment.
13. **WAIVER** The failure of Buyer to enforce at any time any of the provisions of this purchase order, to exercise any election or option provided herein, or to require at any time the performance by Seller of any of the provisions herein will not, in any way, be construed to be a waiver of such provisions.
14. **REMEDIES** The remedies stated herein are in addition to all other remedies at law or in equity.
15. **INDEMNIFICATION** (a) Seller agrees to indemnify Buyer, its agents, customers, successors and assigns against any loss, damage and liability (including costs and expenses) for actual or alleged infringement of any patent, copyright or trademark arising out of the use or sale of the goods by Buyer, its agents or customers – provided, however, that Buyer must notify Seller of any suit, claim or demand involving such infringement,

and permit Seller to defend against or setting the same. If any injunction is issued as the result of any such infringement, Seller agrees, at Buyers option, to (i) refund to Buyer the amounts paid to Seller for the goods covered by the injunction, or (ii) furnish Buyer with acceptable and no infringing goods. (b) Seller agrees to indemnify Buyer against any and all liability and expense resulting from any alleged defect in the goods, whether latent or patent, including allegedly improper construction and design, or from the failure of the goods to comply with specifications. (c) Seller warrants that there are no liabilities for royalties, mechanics liens or other encumbrances on the goods supplies and agrees to indemnify Buyer against any such liabilities. (d) The above indemnifications are in addition to all other rights of indemnification of Buyer against Seller.

16. **NON-DISCLOSURE OF CONFIDENTIAL MATTER** Seller will not quote for sale to others, without Buyer's written authorization any goods purchased under Buyer's specification or drawings. All specifications, drawing, samples and other data furnished by Buyer will be treated by Seller as confidential information, will remain Buyer's property and will be returned to Buyer on request.
17. **VERIFICATION OF PURCHASED PRODUCT** Pinnacle and its customers have the right to do source inspection at the subcontractor's facility if required.
18. **ASSIGNMENTS** No right or obligation under this purchase order (including the right to receive monies due) may be assigned by Seller without the prior written consent of Buyer, and any purported assignment without such consent will be void. Buy may assign this purchase order at any time if such assignment is considered necessary by Buyer in connection with a sale of Buyer's assets or a transfer of its obligations.
19. **NOTICE OF DELAYS** Whenever any event delays or threatens to delay the timely performance of this purchase order, Seller will immediately notify Buyer of such event and furnish all relevant details. Receipt by Buyer of such notice will not constitute a waiver of the due dates hereunder.
20. **PATENT LICENSE** Seller, as part consideration for this purchase order and without further cost to Buyer, hereby grants to Buyer (and, to the extent requested by Buyer, to the government) an irrevocable, non-exclusive, royalty-free license to sue, sell, manufacture and cause to be manufactured products embodying any inventions and discoveries made, conceived or actually reduced to practice in connection with the performance of this purchase order.
21. **GOVERNMENT CONTRACTS** If this purchase order is issued for any purpose that is either directly or indirectly connected with the performance of a prime contract with the government or a subcontract there under, the appropriate regulations require to be inserted in contracts or subcontracts will be deemed to apply to this purchase order.
22. **APPLICABLE LAW** this purchase order will be governed by the law of the State of California.
23. **CALIBRATION** Equipment shall be calibrated to a known national or international standard. The lab shall immediately notify Pinnacle Precision's Quality Control Manager when equipment is found to be out of calibration/tolerance.
24. **AS9100 REQUIREMENTS** When indicated on the face of the Purchase Order, AS9100 requirements will apply.

1. **QUALITY ASSURANCE PROGRAM / CERTIFICATION** The supplier shall establish, document, implement, and maintain a Quality Assurance (QA) Program as a minimum approved by Pinnacle / L&T, however, is preferred a Quality Management System (QMS) in English that complies with current AS9100 or ISO9001 standards. The determination of approval for a supplier without a fully implemented QMS will be driven by a Risk Assessment or On-Site Assessment.
2. **RIGHT OF ACCESS** When indicated on the Purchase Order (PO), the supplier shall grant access to Pinnacle / L&T personnel, Pinnacle / L&T's customers and regulatory authorities to the applicable areas of all facilities including applicable sub-tiers involved in the PO and to all applicable records pertaining to the PO. This includes verification activities performed by Pinnacle / L&T or its customers at the supplier or sub-tier contractor's site.
3. **TEST AND INSPECTION RECORDS** The supplier shall maintain all records of testing and inspection methods that are used to accept final product. These records shall be maintained by the supplier for a period of 7 years or per PO requirement. Records that are older than 7 years, shall be dispositioned per Supplier's Quality Assurance Program / QMS.
4. **TEST AND INSPECTION REPORTS** When required, the supplier shall furnish a complete test and inspection reports to Pinnacle / L&T.
5. **RAW MATERIAL CHEMICAL AND/OR PHYSICAL TEST REPORTS** Raw material supplied against purchase orders must be accompanied by a legible copy of certified test reports of the chemical composition and/or physical properties of the metal. Certification shall include the heat number, heat code, heat lot number, or melt number, which shall be traceable to the raw material manufactures, as well as Pinnacle / L&T purchase order number.
6. **DOMESTICS SPECIALTY METALS** Raw Material supplied under this purchase order shall be domestically manufactured or must comply with and be certified to DFARS 252.225-7014 Alt 1, unless otherwise specified in the Notes of the purchase order.
7. **CERTIFICATE OF CONFORMANCE** A Certificate of Compliance or Certificate of Conformance (C of C) must be furnished as required and submitted with all supported documents in English and it should include at the minimum all requirements on PO including all applicable specifications or regulatory authorities. Certificate of Compliance / Conformance must be traceable to the manufacturer, distributor or service provider and clear chain of custody of supply chain. **For Raw Metal Suppliers:** Mill Certification (include chemical and physical test results) in accordance with PO's specifications.
8. **HARDWARE CERTIFICATE OF CONFORMANCE** Hardware shipped against Pinnacle / L&T Purchase Orders shall at minimum be accompanied by a legible copy of the manufacturer's certification of conformance. Full certification files, including test reports, are the preferred method of documentation but not required unless otherwise stated on Purchase Order.
9. **OUTSIDE PROCESS CERTIFICATION** Each shipment shall be accompanied by a legible copy of certification for processes covered by specification such as but not limited to brazing, heat treating, NDT testing, plating, surface preparation/treatment, ultrasonic inspection, welding, etc. The certification shall include the process, specification (including revision and class/condition designations), requirements detailed in the PO Notes, name of the supplier, date and signature and title of the authorize representative of the company.
10. **FIRST ARTICLE INSPECTION REPORT** When required, the supplier shall furnish a complete First Article Inspection Report including all applicable characteristics. When required on the Purchase Order, the supplier shall provide samples for Inspection / Verification, Investigation or Auditing.
11. **NON-CONFORMING PRODUCTS Control:** Upon discovery, the supplier shall segregate and identify non-conforming material to prevent unauthorized shipment of such material to Pinnacle / L&T. **Notification:** The Supplier shall immediately notify Pinnacle / L&T in the event of non-conforming material that cannot be reworked or replaced to purchase order requirement by the supplier. **Notification after Delivery (NOE):** When the supplier discovers that a non-conforming product has been shipped to Pinnacle / L&T, the supplier is required to notify Pinnacle / L&T within 24 hours of discovering the non-conforming product with a formal Notice of Escape (NOE) form. **Corrective Action Request:** Acceptance of this purchase order obligates the supplier to perform, upon request, a corrective action investigation when non-conforming materials are found at Pinnacle / L&T or customers' facilities. The response must be received by either the Pinnacle / L&T buyer or quality organization within (10) days. The corrective action response is subject to approval by the Pinnacle / L&T quality organization.
12. **SHELF-LIFE ITEM** For any item having a limited shelf-life, the expiration date must be marked clearly and permanently on the label. Unless otherwise instructed, the amount of remaining shelf-life should be a minimum of 80% of the original shelf life at time of delivery to Pinnacle / L&T.
13. **PINNACLE / L&T SUPPLIED PRODUCTS** When products are supplied by Pinnacle / L&T Precision, the supplier must notify Pinnacle / L&T Purchasing of all non-conforming products that are discovered by the supplier. This includes all external sources that provide calibration services on any Pinnacle / L&T Precision Test and Measuring device.
14. **CHANGES IN PRODUCTS AND/OR PROCESS OR MANUFACTURING LOCATION** The supplier shall notify Pinnacle / L&T Purchasing of any changes in Products and/or Process definition and/or changes of sub-tier suppliers or manufacturing facility or re-location. The supplier shall not proceed without the written approval from Pinnacle / L&T Quality Representative.
15. **COUNTERFEIT PARTS PREVENTION** Certification from the Original Component Manufacturer (OCM), Original Equipment Manufacturer (OEM), franchised distributors or authorized aftermarket manufacturer (AAM) is required. Parts shall not be used or reclaimed and misrepresented as new. Distributors shall, in addition to the aforementioned, include their own company's certification for each part number shipped. If evidence of supply chain traceability to the OCM/OEM/AAM is not available, Supplier must notify Pinnacle / L&T Precision in writing. Pinnacle / L&T Precision will determine risk of use and if their customer needs to be notified to evaluate the risk of using material without pedigree traceability.
16. **MSDS AND TDS.**When required, the suppliers shall furnish the MSDS (Material Safety Data Sheet) and the TDS (Technical Data Sheet).
17. **CONFLICT MINERALS REPORTING TEMPLATE; 3T's & G (DODD-FRANK ACT) FOR RAW METAL SUPPLIERS** The supplier shall complete the Conflict Minerals Reporting Template (available for free download at <http://www.conflictreesmelter.org/index.htm>) and return to Pinnacle / L&T prior to shipment of materials.
18. **INDUTRY STANDARDS AND REVISIONS** Unless otherwise specified by purchase order, the supplier shall perform work, and/or provide material or services, to the latest revisions of all applicable drawings, standards and specifications indicated or reference on the Pinnacle / L&T purchase order. Any deviations require written authorization from the issuer of the purchase order.
19. **SUB-TIERS CONTROLS** The supplier shall apply appropriate control to its suppliers to ensure that requirements are met. Suppliers shall not transfer work nor outsource work to their subcontractors without a prior approval from Pinnacle / L&T Quality personnel.
20. **TRAINING AND COMPETENCES** Supplier shall ensure that personnel performing tasks that affect product quality are competent and appropriate personnel qualification is maintained.
21. **AWARENESS** Supplier shall ensure that its personnel is aware of their contribution to product conformity, product safety and the important of ethical behavior.
22. **CALIFORNIA'S PROPOSITION 65** As a result of passage of California's "Safe Drinking Water and Toxic Enforcement Act of 1986, Proposition 65", L&T Precision suppliers are hereby required to identify any chemicals on the California list of chemicals known to cause cancer or reproductive toxicity that are contained in any products being shipped/sold in the State of California. Such information may be provided on safety datasheets furnished with seller's products and/or on Warning labels in an inconspicuous area, which includes a statement concerning the product's carcinogenicity or reproductive toxicity. A list of currently regulated chemicals is available at http://www.oehha.ca.gov/prop65/prop65_list/newlist.html
23. **PROHIBITED MATERIALS (PURE CADMIUM, PURE ZINC, PURE TIN)** All constructions and finishes containing pure cadmium or pure zinc are prohibited. In addition, constructions and finishes containing pure tin are prohibited unless they contain a minimum of 3 weight percent lead. The use of lead-free solder alloys is not acceptable unless approved by the Buyer. The requirement of this Q-Clause shall be flowed down to any sub tiers utilized in fulfilling the requirements of this PO.
24. **SAMPLE PLAN** When specified on purchased order, All Inspections used for in process product quality shall be conducted to a minimum sample acceptance level AQL of 1.0, C=0 sampling plan accordance with ANSI Z1.4 sampling procedure and tables.
25. **100% INSPECTION REQUIRED** Supplier shall perform 100% dimensional inspection of all characteristics affected by work performed by the supplier, on all products covered by the purchase order. This clause applies to castings, forgings, and Outside Process manufacturers that holds risk such as honing, grinding, etcetera.
26. **APPROVED SOURCES REQUIRED** This order requires the use of Pinnacle / L&T and/or their Customer's approved sources to perform certifiable special processes or provide certifiable services. Suppliers shall be certified to AS9100 and NADCAP unless conditionally approved by Pinnacle / L&T. This clause also applies to all sub-tier suppliers.
27. **SOFTWARE CONTROL** The supplier shall maintain a software control system that establishes the requirements for the control and verification of software use for manufacturing and acceptance of Pinnacle / L&T products.
28. **PACKAGING** Packaging and packing shall be in accordance with best commercial practices. Methods used shall be sufficient for protection against damage from the normal handling, shipping, and storage conditions. Parts received in individual packaging should be returned in the same manner. Metal to metal contact is an UNACCEPTABLE condition. Proper packaging shall be used to safeguard the part finish. Special packaging instructions listed on the Purchase Order shall be implemented and noted as required, unless otherwise acknowledged by the issuer of the PO.
29. **FOREING OBJECT DEBRIS (FOD) PROGRAM** Supplier must maintain a program to control and eliminate FOD and/or contamination during supplier's manufacturing, assembly, test and inspection operations affecting this purchase order, while 5S programs can achieve the same objective as a minimum, it is expected to have a structured, active and effective program in place to reduce the risk per AS9146.
30. **CALIBRATION (a)** Supplier's calibration system must conform to the current revision requirements of MIL-STD- 45662, ANSI/NCSL Z540-1 or ISO 10012-1 (as applicable) with complete traceability to National Institute of Standards & Technology (NIST). **(b)** Suppliers of calibration services shall perform calibration in accordance with ANSI Z540-1 and/or ISO 10012-1 and ANSI Z540-1 and ISO/IEC 17025 as applicable, Certificates of Calibration must clearly state that the services was performed with equipment traceable to the NIST.