

PEKO Precision Products Purchase Order

Terms and Conditions

1-29-26

1. Applicability.

(a) The purchase order attached hereto (the “**Order**”) is an offer by PEKO Precision Products, Inc. (the “**Buyer**”) for the purchase of the goods specified in the Order (the “**Goods**”) from the party to whom the purchase order is addressed (the “**Seller**”) in accordance with and subject to these terms and conditions (the “**Terms**”); together with the terms and conditions on the face of the Order. These Terms and the Order, together with any documents incorporated herein by reference, constitute the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller’s acceptance to these Terms. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller’s general terms and conditions of sale or any other document issued by Seller in connection with the Order.

(b) These Terms apply to any repaired or replacement Goods provided by Seller hereunder.

(c) Buyer is not obligated to any minimum purchase or future purchase obligations except as expressly set forth in the Order.

2. Acceptance. The Order is not binding on Buyer until Seller accepts the Order in writing. Seller must accept the Order in writing following Seller’s receipt of the Order. Buyer may withdraw the Order at any time before it is accepted by Seller.

3. Delivery Date. Seller shall deliver the Goods in the quantities and on the date(s) specified in the Order or as otherwise agreed in writing by the parties (the “**Delivery Date**”). Timely delivery of the Goods is of the essence. If Seller fails to deliver the Goods in full on the Delivery Date, Buyer may terminate the Order immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller’s failure to deliver the Goods on the Delivery Date.

4. Delivery Location. All Goods shall be delivered to the address specified in the Order (the “**Delivery Location**”) during Buyer’s normal business hours or as otherwise instructed by Buyer.

5. Title and Risk of Loss. Title passes to Buyer upon delivery of the Goods to the Delivery Location. Seller bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location.

6. Packaging. All Goods shall be packed for shipment according to Buyer’s instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller’s expense.

7. Amendment and Modification. No change to the Terms or the Order is binding upon Buyer unless it is in writing, specifically states that it amends the Terms or the Order and is signed by an authorized representative of Buyer.

8. Inspection and Rejection of Nonconforming Goods. The Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, promptly replace the nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective Goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate the Order for cause pursuant to Section 18. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller's obligations under the Order, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions.

9. Price. The price of the Goods is the price stated in the Order (the "**Price**"). If no price is included in the Order, the Price shall be the price set out in Seller's published price list in force as of the date of the Order. Unless otherwise specified in the Order, the Price includes all packaging, transportation costs to the Delivery Location, insurance, customs duties, fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer.

10. Most Favored Customer. Seller represents and warrants that the price for the Goods is the lowest price charged by Seller to any of its external buyers for similar volumes of similar Goods. If Seller charges any other buyer a lower price, Seller must apply that price to all Goods under this Order. If Seller fails to meet the lower price, Buyer, at its option, may terminate this Order without liability pursuant to Section 18.

11. Payment Terms. Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with the Terms. Buyer shall pay all properly invoiced amounts due to Seller within forty-five (45) days after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith.

12. Setoff. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller under the Order.

13. Warranties. Seller warrants to Buyer that all Goods will: (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer for a period of three (3) years. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods with the foregoing warranties.

14. General Indemnification. Seller shall defend, indemnify and hold harmless Buyer and its affiliates, successors or assigns and their respective directors, officers, shareholders and employees and Buyer's customers (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorneys' fees and expenses, and the cost of enforcing any right to indemnification hereunder (collectively, "**Losses**") arising out of or occurring in connection with the products purchased from Seller or Seller's negligence, willful misconduct or breach of the Terms. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent.

15. Intellectual Property Indemnification. Seller shall, at its sole cost and expense, defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.

16. Insurance. During the term of the Order and for the applicable warranty period, Seller shall, at its sole cost and expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability) in a sum no less than \$2,000,000 with financially sound and reputable insurers. Upon Buyer's request, Seller shall provide Buyer with a certificate of insurance from Seller's insurer evidencing the insurance coverage specified in the Order.

17. Compliance with Law. Seller is in compliance with and shall comply with all applicable laws, regulations and ordinances. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order.

18. Termination. Buyer may terminate the Order, in whole or in part, at any time with or without cause and cancel all or any part of the undelivered Goods upon written notice to Seller. In addition to any remedies that may be provided under these Terms, Buyer may terminate the Order with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods, if Seller has not performed or complied with any of these Terms, in whole or in part. If the Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then the Buyer may terminate the Order upon written notice to Seller. If Buyer terminates the Order for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.

19. Product Discontinuance. If Seller discontinues or obsoletes the production of an item or material, Seller shall provide Buyer one year notice. Furthermore, Seller shall allow Buyer to make a last time buy to cover any production requirements necessary to fulfill existing orders.

20. Limitation of Liability. Nothing in the Terms or the Order shall exclude or limit: (a) Seller's liability under Sections 13, 14, 15 and 21 hereof; or (b) Seller's liability for fraud, personal injury or death caused by its negligence or willful misconduct.

21. Waiver. No waiver by any party of any of the provisions of the Terms or the Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

22. Confidential Information. All non-public, confidential or proprietary information of the Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as “confidential,” in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer’s request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Seller at the time of disclosure; or (c) rightfully obtained by the Seller on a non-confidential basis from a third party.

23. Force Majeure. Neither Buyer nor Seller shall be liable for any delay or failure to perform any of its obligations under the Order if and to the extent that the delay or failure is due to circumstances beyond the reasonable control of such party, including but not limited to, acts of God, hurricanes, earthquakes and other natural disasters, epidemics, pandemics, terrorism, government acts, embargos, labor strikes and lock-outs.

24. Assignment. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations hereunder.

25. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from the Terms or the Order.

26. No Third-Party Beneficiaries. The 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 the Terms.

27. Governing Law. All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule.

28. Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or relating to the Terms or the Order shall be instituted in the state or federal courts in each case located in the City of Rochester and County of Monroe, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

29. Cumulative Remedies. The rights and remedies under the Terms and the Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

30. Notices. All notices, request, 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 in the 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 pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in the Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

31. Severability. If any term or provision of the Terms or the Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of the Terms or the Order or invalidate or render unenforceable such term or provision in any other jurisdiction.

32. Survival. Provisions of the Terms and the Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of the Order including, but not limited to, the following provisions: Setoff, Warranties, General Indemnification, Intellectual Property Indemnification, Insurance, Compliance with Laws, Confidentiality, Governing Law, Submission to Jurisdiction and Survival.

PEKO Flowdowns-General

FIRST ARTICLE INSPECTION

The supplier shall perform a first article inspection for this Part Number the first time the product is manufactured or when updates to the design occur.

NOTE: A first article inspection report is not required for rework/repair purchase orders or for parts or material conforming to an established industry or national authority published specification, which has all characteristics identified by text description (i.e., COTS and Mil-Spec parts).

The inspection shall include, but not be limited to a complete documented verification of all dimensions, features, notes, and specifications identified in the contract.

For all product changes, a delta FAI of the changes is acceptable. Additionally, the supplier shall be responsible for confirmation that all operations not performed in the supplier's facility meet applicable requirements.

The supplier may utilize the most current version of AS9102 for their first article inspection report, utilizing AS9102 Forms 1, 2, and 3 or equivalent forms containing all Required and Conditionally Required information as outlined in AS9102. The FAI form must be signed and dated by the person who prepared it.

CERTIFICATION OF COMPLIANCE—C of C

A certificate of compliance shall be supplied with each shipment of material supplied against this Purchase Order. The certificate shall be signed and dated by the responsible Seller personnel and shall certify that the material meets all applicable Buyer specification requirements or military/industrial specification requirements.

The C of C is to reference the following:

- a) Purchase Document number
- b) Manufacturer and/or Buyer Part Number and Dash Numbers
- c) Any number the Seller's facility uses for material traceability (ie: Lot/date code number, job/shop order #, etc.)
- d) Serial number (if applicable)

Special Process Certification and Test Reports

Results of testing of special processes shall accompany all shipments of product to PEKO. Results shall include but not limited to:

- a) Thickness results of products subjected to chemical processing including paint, powdercoat and plating.
- b) Hardness test results
- c) MT, PT or UT results for welding processes, when testing is specified in contract or on drawing.
- d) Any other testing required by contract, drawing or applicable processing specification.

Special processes are defined as the following:

Anodize
Cadmium Plating
Chromate Conversion

Copper Plating
Gold Plating
Nickel Plating
Electroless Nickel Plating
Silver Plating
Tin Plating
Tin, Hot Dipped
Tin-Lead Plating
Zinc Phosphorous Plating
Zinc Plating
Painting
Dye Penetrant Testing
Radiography Testing
Ultrasonic Testing
Magnetic Particle Testing
Heat Treatment
Welding
Spotwelding
Dip Brazing
Vacuum brazing
Torch Brazing

RAW MATERIAL DOCUMENTATION REQUIREMENTS

1. Shipment of metallic raw material must be accompanied by:
 - 1.1. Manufacturer or mill inspection/test report for the raw material containing:
 - a) Name and location of the raw material manufacturer or mill.
 - b) Material identification by specification number and material condition.
 - c) Manufacturer or mill lot identification number of the raw material.
 - d) Actual chemical and physical test results as specified in the applicable specification.
 - e) Actual size and form of billets if required by the applicable standard.
 - 1.2. Certification from Seller containing:
 - a) Name and location of the raw material manufacturer or mill.
 - b) Material identification by specification number and material condition.
 - c) A statement that the raw material meets applicable specification requirements.
2. Shipment of nonmetallic raw material must be accompanied by chemical inspection/test report for the raw material containing:
 - a) Name and location of the raw material manufacturer.
 - b) Material identification by specification number.
 - c) Manufacturer lot or batch number of the raw material.

- d) Actual chemical test results as specified in the application specification.

2.1. Certification from Seller containing:

- a) Name and location of the raw material manufacturer.
- b) Material identification by specification manufacturer.
- c) A statement that the raw material meets applicable specification requirements.
- d) Certification of shelf life.

STORAGE AND SHELF LIFE

1. Seller shall identify materials and articles having definite characteristics of quality degradation or drift with age and/or the environment.

- a) Identification shall indicate the date and/or cycle that the critical life was initiated and the date and/or cycle at which the useful life will be expended.
- b) If environment is a factor in determining useful life, identification shall also include the storage temperature, humidity, etc., required to achieve the stated useful life.

2. Seller shall provide a copy of the manufacturers Certificate of Conformance (C of C) that defines the shelf life characteristics of any material that fits into this category. Identification shall include the following information as a minimum:

- a) Date of manufacturer
- b) Batch and/or lot numbers
- c) Date of expiration
- d) Procurement Document number
- e) Any special storage conditions for the material

If a material has no identified shelf life the certificate shall note this condition. Seller's certificate should be traceable to the place of procurement or manufacturer. A manufacturer's certificate that is traceable to the material provided is acceptable.

3. In no case shall materials or articles be supplied to the Buyer with less than 75% of its useful life or cycles remaining; however, Seller shall verify that sufficient Q1-4-04-DSF 1/1/2021 Page 14 of 43 operating life and environmental margin remains to meet the specified requirements of the procurement document.

4. If Buyer so chooses, they may accept material with less than 75% of the shelf life remaining due to critical need and will document this action on the Procurement Document directing the seller to ship the material.

EQUAL OPPORTUNITY

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, and for inquiring about, discussing, or disclosing compensation. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or veteran status.