

ACKNOWLEDGEMENT:

BY ACCEPTING A PURCHASE ORDER FROM MOUNTAIN CNC, THE EXTERNAL PROVIDER ACKNOWLEDGES AND AGREES TO COMPLY WITH THESE TERMS AND CONDITIONS. ANY DEVIATION MUST BE AUTHORIZED IN WRITING BY MOUNTAIN CNC.

AS A CONDITION OF DOING BUSINESS WITH MOUNTAIN CNC, ALL EXTERNAL PROVIDERS (SUPPLIERS, SUBCONTRACTORS, AND SERVICE PROVIDERS) MUST ADHERE TO THE FOLLOWING TERMS AND CONDITIONS, WHICH ALIGN WITH AS9100 REQUIREMENTS. THESE REQUIREMENTS ENSURE THE QUALITY, SAFETY, AND CONFORMITY OF PROCESSES, PRODUCTS, AND SERVICES INTENDED FOR AEROSPACE APPLICATIONS.

MANUFACTURING TERMS:

ACCEPTING A QUOTE FOR THE MANUFACTURING OF A PART CONSTITUTES THE ACCEPTANCE OF THE MANUFACTURING AGREEMENT BY THE PURCHASER WITH THE FABRICATOR:

A. SHIPMENT ESTIMATES:

QUOTES WILL CONTAIN AN ESTIMATED DATE OF SHIPMENT, CALCULATED ON THE BASIS OF THE INPUT DATA. THE TERM OF DELIVERY GENERATED BY THE ONLINE ORDERING SYSTEM GIVES A PRELIMINARY INDICATION OF PLANNED DATE OF SHIPMENT THOUGH DOES NOT BIND FABRICATOR IN ANY WAY. THE ESTIMATED SHIPMENT DATE IS BASED ON THE WORKING CONDITIONS APPLICABLE AT THE TIME THE ORDER IS CONCLUDED AND ON THE PUNCTUAL DELIVERY OF THE MATERIALS ORDERED BY FABRICATOR FOR THE PERFORMANCE OF THE WORK. SHOULD A DELAY RISE FOR WHICH FABRICATOR IS NOT RESPONSIBLE, AS A RESULT OF A CHANGE IN THE AFOREMENTIONED WORKING CONDITIONS OR BECAUSE MATERIALS ORDERED IN TIME FOR THE PERFORMANCE OF THE WORK ARE NOT DELIVERED ON TIME, THE SHIPMENT DATE SHALL BE EXTENDED AS REQUIRED AND FABRICATOR WILL NOT BE LIABLE FOR SUCH DELAY.

B. PROCESSES, PRODUCTS, AND SERVICES PROVIDED:

THE EXTERNAL PROVIDER SHALL SUPPLY ONLY THE AGREED-UPON PROCESSES, PRODUCTS, AND SERVICES AS SPECIFIED IN THE PURCHASE ORDER, TECHNICAL DRAWINGS, SPECIFICATIONS, AND OTHER CONTRACT DOCUMENTS. ANY DEVIATIONS FROM THE AGREED SCOPE MUST BE APPROVED IN WRITING BY MOUNTAIN CNC.

C. APPROVAL OF PRODUCTS AND SERVICES, METHODS, PROCESSES, AND EQUIPMENT:

EXTERNAL PROVIDERS MUST GAIN APPROVAL FROM MOUNTAIN CNC FOR THE PRODUCTS AND SERVICES PROVIDED, AS WELL AS FOR ANY MANUFACTURING METHODS, SPECIAL PROCESSES, EQUIPMENT, OR PROCEDURAL CHANGES IMPACTING PRODUCT CONFORMITY. PRIOR APPROVAL IS REQUIRED BEFORE IMPLEMENTING SUCH CHANGES.

D. COMPETENCE, INCLUDING ANY REQUIRED QUALIFICATION OF PERSONS:

ALL EXTERNAL PROVIDER PERSONNEL INVOLVED IN THE FULFILLMENT OF MOUNTAIN CNC ORDERS SHALL BE FULLY COMPETENT, TRAINED, AND, WHERE APPLICABLE, CERTIFIED, OR QUALIFIED IN ACCORDANCE WITH INDUSTRY STANDARDS AND REGULATORY REQUIREMENTS. RECORDS OF PERSONNEL QUALIFICATIONS SHALL BE MAINTAINED AND MADE AVAILABLE UPON REQUEST.

E. EXTERNAL PROVIDERS' INTERACTIONS WITH THE ORGANIZATION:

EXTERNAL PROVIDERS SHALL COMMUNICATE PROMPTLY AND EFFECTIVELY WITH MOUNTAIN CNC REGARDING ORDER STATUS, NONCONFORMITIES, CORRECTIVE ACTIONS, IMPROVEMENT OPPORTUNITIES, AND ANY OTHER QUALITY OR DELIVERY-RELATED ISSUES.

F. CONTROL AND MONITORING OF EXTERNAL PROVIDERS' PERFORMANCE:

MOUNTAIN CNC RESERVES THE RIGHT TO MONITOR AND EVALUATE THE EXTERNAL PROVIDER'S PERFORMANCE BASED ON CRITERIA SUCH AS ON-TIME DELIVERY, PRODUCT QUALITY, ADHERENCE TO SPECIFICATIONS, AND RESPONSIVENESS TO CORRECTIVE ACTIONS. PERFORMANCE METRICS MAY INFLUENCE FUTURE PROCUREMENT DECISIONS.

G. VERIFICATION OR VALIDATION ACTIVITIES THAT MOUNTAIN CNC OR ITS CUSTOMER INTENDS TO PERFORM AT THE EXTERNAL PROVIDERS' PREMISES:

IF REQUIRED, MOUNTAIN CNC AND/OR ITS CUSTOMERS (OR THEIR REPRESENTATIVES) MAY PERFORM VERIFICATION, VALIDATION, OR INSPECTION ACTIVITIES AT THE EXTERNAL PROVIDER'S PREMISES. THE EXTERNAL PROVIDER SHALL PROVIDE NECESSARY ACCESS TO FACILITIES, EQUIPMENT, DOCUMENTATION, AND PERSONNEL.

H. DESIGN AND DEVELOPMENT CONTROL (IF APPLICABLE):

IF THE EXTERNAL PROVIDER IS INVOLVED IN DESIGN AND DEVELOPMENT ACTIVITIES RELATED TO MOUNTAIN CNC'S PRODUCTS, THEY SHALL COMPLY WITH AGREED-UPON DESIGN CONTROLS, CONFIGURATION MANAGEMENT, AND REVISION CONTROL PROCESSES. ALL DESIGN CHANGES MUST BE COMMUNICATED AND APPROVED BY MOUNTAIN CNC.

I. SPECIAL REQUIREMENTS, CRITICAL ITEMS, OR KEY CHARACTERISTICS:

EXTERNAL PROVIDERS SHALL COMPLY WITH ALL IDENTIFIED SPECIAL REQUIREMENTS, CRITICAL ITEMS, OR KEY CHARACTERISTICS SPECIFIED BY MOUNTAIN CNC. APPROPRIATE CONTROLS AND MONITORING MUST BE APPLIED TO ENSURE COMPLIANCE WITH THESE CRITICAL ASPECTS.

J. TEST, INSPECTION, AND VERIFICATION (INCLUDING PRODUCTION PROCESS VERIFICATION):

EXTERNAL PROVIDERS MUST IMPLEMENT APPROPRIATE TEST, INSPECTION, AND VERIFICATION PROCEDURES TO ENSURE PRODUCT CONFORMITY. THIS INCLUDES FIRST ARTICLE INSPECTIONS, IN-PROCESS CHECKS, AND FINAL INSPECTIONS, AS WELL AS ANY PRODUCTION PROCESS VERIFICATION ACTIVITIES REQUIRED BY MOUNTAIN CNC.

K. THE USE OF STATISTICAL TECHNIQUES FOR PRODUCT ACCEPTANCE AND RELATED INSTRUCTIONS:

WHEN SPECIFIED, EXTERNAL PROVIDERS SHALL USE STATISTICAL TECHNIQUES AND SAMPLING PLANS APPROVED BY MOUNTAIN CNC TO ENSURE PRODUCT ACCEPTANCE. DOCUMENTED EVIDENCE OF STATISTICAL CONTROLS AND RESULTS SHALL BE MAINTAINED AND SHARED UPON REQUEST.

L. THE NEED TO:

IMPLEMENT A QUALITY MANAGEMENT SYSTEM:

- (1) EXTERNAL PROVIDERS ARE ENCOURAGED TO OPERATE UNDER A RECOGNIZED QUALITY MANAGEMENT SYSTEM (E.G., ISO 9001, AS9100) COMMENSURATE WITH THE SCOPE OF SUPPLY.
- (2) USE CUSTOMER-DESIGNATED OR APPROVED EXTERNAL PROVIDERS:
- (3) IF MOUNTAIN CNC SPECIFIES THE USE OF CERTAIN SUB-TIER SUPPLIERS OR APPROVED SOURCES FOR RAW MATERIALS OR SERVICES, THE EXTERNAL PROVIDER MUST COMPLY.

NOTIFY MOUNTAIN CNC OF NONCONFORMING PROCESSES, PRODUCTS, OR SERVICES AND OBTAIN APPROVAL FOR THEIR DISPOSITION:

- (1) NONCONFORMING OUTPUTS SHALL BE IMMEDIATELY REPORTED TO MOUNTAIN CNC. DISPOSITION (E.G., REWORK, REPAIR, USE-AS-IS) MUST BE APPROVED IN WRITING BEFORE SHIPMENT.

PREVENT THE USE OF COUNTERFEIT PARTS:

- (1) EXTERNAL PROVIDERS SHALL HAVE MEASURES IN PLACE TO PREVENT THE ACQUISITION AND USE OF COUNTERFEIT OR SUSPECTED UNAPPROVED PARTS. RECORDS AND TRACEABILITY MUST BE MAINTAINED.
- (2) NOTIFY MOUNTAIN CNC OF CHANGES TO PROCESSES, PRODUCTS, OR SERVICES, INCLUDING CHANGES OF EXTERNAL PROVIDERS OR LOCATION OF MANUFACTURE, AND OBTAIN MOUNTAIN CNC'S APPROVAL:
- (3) ANY SIGNIFICANT CHANGES (PROCESS RELOCATIONS, SUPPLIER CHANGES, OR MATERIAL SUBSTITUTIONS) MUST BE COMMUNICATED IN ADVANCE AND APPROVED BY MOUNTAIN CNC.

FLOW DOWN TO SUB-TIER EXTERNAL PROVIDERS THE APPLICABLE REQUIREMENTS IN THE PURCHASING DOCUMENTS, INCLUDING KEY CHARACTERISTICS:

- (1) REQUIREMENTS PASSED DOWN FROM MOUNTAIN CNC (INCLUDING THESE TERMS AND CONDITIONS) MUST BE FLOWED DOWN TO SUB-TIER SUPPLIERS, ENSURING FULL SUPPLY CHAIN COMPLIANCE.
- (2) PROVIDE TEST SPECIMENS FOR DESIGN APPROVAL, INSPECTION/VERIFICATION, INVESTIGATION, OR AUDITING:
- (3) IF REQUESTED, TEST SPECIMENS OR SAMPLES MUST BE SUPPLIED FOR VALIDATION, QUALIFICATION, OR AUDITING PURPOSES.
- (4) RETAIN DOCUMENTED INFORMATION, INCLUDING RETENTION PERIODS AND DISPOSITION REQUIREMENTS:
- (5) EXTERNAL PROVIDERS SHALL MAINTAIN RELEVANT QUALITY RECORDS (E.G., TEST RESULTS, INSPECTION REPORTS) FOR THE RETENTION PERIOD OF 10 YEARS SPECIFIED BY MOUNTAIN CNC OR REGULATORY REQUIREMENTS AND MAKE THEM AVAILABLE UPON REQUEST.

M. THE RIGHT OF ACCESS BY MOUNTAIN CNC, ITS CUSTOMERS, AND REGULATORY AUTHORITIES:

MOUNTAIN CNC, ITS CUSTOMERS, AND APPLICABLE REGULATORY AUTHORITIES SHALL HAVE THE RIGHT OF ACCESS TO THE EXTERNAL PROVIDER'S FACILITIES, DOCUMENTATION, AND RECORDS RELATED TO THE ORDER, TO ENSURE COMPLIANCE WITH CONTRACTUAL AND REGULATORY OBLIGATIONS.

N. ENSURING THAT PERSONS ARE AWARE OF THEIR CONTRIBUTION TO PRODUCT OR SERVICE CONFORMITY, THEIR CONTRIBUTION TO PRODUCT SAFETY, AND THE IMPORTANCE OF ETHICAL BEHAVIOR:

SUPPLIER AGREES THAT ALL EMPLOYEES INVOLVED IN THE PRODUCTION, DELIVERY, OR QUALITY ASSURANCE OF PRODUCTS SUPPLIED UNDER THIS AGREEMENT SHALL BE MADE AWARE OF: THEIR CONTRIBUTION TO PRODUCT CONFORMITY, ENSURING THAT ALL PRODUCTS MEET THE AGREED SPECIFICATIONS AND REQUIREMENTS.

THEIR CONTRIBUTION TO PRODUCT SAFETY, ENSURING THAT ALL PRODUCTS ARE PRODUCED, HANDLED, AND DELIVERED IN A MANNER THAT PRIORITIZES SAFETY AND COMPLIANCE WITH RELEVANT SAFETY STANDARDS.

THE IMPORTANCE OF ETHICAL BEHAVIOR IN ALL ASPECTS OF THEIR WORK, PROMOTING HONESTY, INTEGRITY, AND COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.

O. RISK OF LOSS:

UNLESS OTHERWISE AGREED, ALL SALES OF PARTS SHALL BE EX-WORKS (INCOTERMS 2000). IN THE EVENT THAT PURCHASER REQUIRES DELIVERY OF THE PARTS OTHERWISE THAN EX-WORKS, PURCHASER MUST CONTACT FABRICATOR IN ORDER TO DETAIL ITS REQUIREMENTS. FABRICATOR, IN ITS DISCRETION, SHALL ARRANGE THE DELIVERY REQUIREMENTS INCLUDING, WITHOUT LIMITATION, TRANSPORT INSURANCE, THE MODE OF TRANSPORT AND ANY SPECIAL PACKAGING REQUIREMENTS. FABRICATOR RESERVES THE RIGHT TO VARY THE MODE OF TRANSPORT IF ANY REGULATIONS OR OTHER RELEVANT CONSIDERATIONS SO REQUIRE. ALL COSTS, TAXES, DUTIES AND CHARGES RELATED TO FULFILLING ANY OF PURCHASER'S REQUESTS UNDER THIS PROVISION, SHALL BE PAID BY PURCHASER, UNLESS OTHERWISE AGREED BY BOTH PARTIES.

P. LIMITED WARRANTY REMEDY:

FABRICATOR REPRESENTS AND WARRANTS TO THE PURCHASER (AND NOT TO ANY THIRD PARTY) THAT FOR A PERIOD OF TEN (10) BUSINESS DAYS FOLLOWING THE DELIVERY OF THE PART (THE "WARRANTY PERIOD"), THAT THE PART SHALL CONFORM TO THE SPECIFICATIONS FOR SUCH PART. FABRICATOR'S ENTIRE LIABILITY AND PURCHASER'S EXCLUSIVE REMEDIES UNDER THIS WARRANTY SHALL BE AS FOLLOWS: IN THE EVENT PURCHASER NOTIFIES FABRICATOR DURING THE WARRANTY PERIOD THAT THE PART FAILS TO COMPLY WITH THE APPLICABLE SPECIFICATIONS IN ALL MATERIAL RESPECTS, FABRICATOR WILL, AS PURCHASER'S SOLE AND EXCLUSIVE REMEDY, AT FABRICATOR'S OPTION EITHER : (1) PROVIDE PURCHASER A REPLACEMENT PART THAT CONFIRMS TO THE SPECIFICATIONS OR (2) REFUND THE AMOUNT PAID BY PURCHASER FOR THE AFFECTED PART IN EXCHANGE FOR THE RETURN OF THE NON-CONFORMING PARTS AT FABRICATOR'S SOLE COST AND EXPENSE. NO RETURNS WILL BE ACCEPTED BY FABRICATOR UNLESS PURCHASER HAS NOTIFIED FABRICATOR WITHIN THE WARRANTY PERIOD. IF PURCHASER FAILS TO CONTACT FABRICATOR WITHIN THE WARRANTY PERIOD, FABRICATOR SHALL HAVE NO FURTHER OBLIGATIONS WITH RESPECT TO SUCH PART.

Q. AS IS DISCLAIMER:

EXCEPT AS EXPRESSLY OTHERWISE PROVIDED HEREIN, THE PARTS PROVIDED UNDER STANDARD MANUFACTURING TERMS ARE PROVIDED "AS IS" AND WITHOUT WARRANTY OF ANY KIND. FABRICATORS EXPRESSLY DISCLAIM ALL OTHER WARRANTIES OF ANY KIND RELATING TO THE PARTS, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY PURCHASER FROM FABRICATOR OR THROUGH OR FROM THE SERVICE SHALL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THIS AGREEMENT. SOME JURISDICTIONS MAY NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, IN WHICH CASE SOME OF THE ABOVE EXCLUSIONS MAY NOT APPLY TO ALL PURCHASERS.

R. INDEMNIFICATION:

PURCHASER AGREES TO INDEMNIFY AND HOLD HARMLESS FABRICATOR AND ITS OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS, LICENSEES, EMPLOYEES, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL DAMAGES, LIABILITIES, AWARDS, LOSSES, COSTS AND EXPENSES INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COURT COSTS: (I) ARISING OUT OF ANY BREACH BY PURCHASER OF ANY UNDERTAKING, WARRANTY, REPRESENTATION OR AGREEMENT CONTAINED HEREIN; (II) ARISING OUT OF A CLAIM THAT A PART MANUFACTURED BY THE FABRICATOR PURSUANT TO AN ORDER HEREUNDER VIOLATES ANY LAW, REGULATION OR ORDINANCE; (III) ARISING OUT OF A CLAIM WITH RESPECT TO THE PART (WHETHER ARISING OUT OF PRODUCT LIABILITY, STRICT LIABILITY, NEGLIGENCE OR OTHERWISE), INCLUDING CLAIMS RELATED TO ANY INJURY, DEATH OR DAMAGE TO ANY PERSON OR PROPERTY CAUSED BY THE PART; OR (IV) ARISING OUT OF ANY CLAIM THAT ANY SPECIFICATION, OR PART MADE IN COMPLIANCE WITH THE SPECIFICATION, OR THE MANUFACTURING OF THE PART, INFRINGES UPON OR VIOLATES ANY PATENT, TRADE SECRET, COPYRIGHT, TRADEMARK, SERVICE MARK, RIGHT OF PUBLICITY OR OTHER RIGHT OF ANY THIRD PARTY.

S. DISCLAIMER OF CERTAIN DAMAGES:

FABRICATOR SHALL NOT IN ANY EVENT BE LIABLE TO PURCHASER OR TO ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, OR FOR ANY LOSS OF PROFITS, REVENUES, BUSINESS OPPORTUNITIES OR FOR LOSS OF INCOME, BARGAIN, REVENUE, CONTRACTS, GOODWILL, USE, ENJOYMENT, TIME, DATA, OR ELECTRONICALLY TRANSMITTED ORDERS OR DAMAGES OR COSTS DUE TO LOSS OF PRODUCTION OR USE, BUSINESS INTERRUPTION, PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR

PERSONAL OR PROPERTY DAMAGE, WHETHER OR NOT FABRICATOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF OR IN CONNECTION WITH: (1) THE PARTS, OR THE FAILURE TO PROVIDE THE PARTS IN COMPLIANCE WITH THE STANDARD MANUFACTURING TERMS; (2) THESE STANDARD MANUFACTURING TERMS; (3) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES RESULTING FROM ANY GOODS, PARTS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED UNDER THE STANDARD MANUFACTURING TERMS; OR (4) ANY OTHER MATTER RELATED TO THE PARTS OR STANDARD MANUFACTURING TERMS, WHETHER BASED ON WARRANTY, COPYRIGHT, CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR ANY OTHER LEGAL THEORY.

T. CAP ON LIABILITY:

UNDER NO CIRCUMSTANCES WILL FABRICATOR BE LIABLE TO PURCHASER FOR MORE THAN THE GREATER OF (I) THE AMOUNT PAID BY PURCHASER DURING THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT(S) GIVING RISE TO LIABILITY HEREUNDER, OR (II) ONE HUNDRED DOLLARS (\$100). CERTAIN JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF CERTAIN DAMAGES. IF THESE LAWS APPLY TO PURCHASER, SOME OR ALL OF THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO PURCHASER, AND PURCHASER MIGHT HAVE ADDITIONAL RIGHTS.