



# Kaskaskia Tool & Machine, Inc.

## Purchase Order Terms & Conditions

Special Terms and Conditions:

All Suppliers shall unless otherwise in writing have the following in place (Summary or below but not limited to this listing):

- Requirements for approval of product, procedures, processes, and equipment.
- Requirement for qualification of personnel
- Quality management system requirements
- The name or other positive identification and applicable issues of specifications, drawings, process requirements, inspection instructions and other relevant technical data.
- Requirements for design, test, examination, inspection and related instructions for acceptance by the organization
- Requirements for test specimens for design approval, inspection, investigation, auditing
- Supplier notification to organization of non-conforming product and arrangement for organization approval of non-conforming material
- Requirement for supplier to notify organization of changes in product or process definition and where required, obtain organization approval
- Right of access by the organization, their customer, and regulatory authorities to all facilities involved in the order and to all applicable records.
- Requirements for the supplier to flow down to all sub-tier suppliers requirements in the purchasing documents.
- ITAR Requirements.

This document describes the Supplier Requirements necessary to satisfy AS9100 Dev D. These terms and conditions apply to all suppliers of product and/or manufacturing services determined by Kaskaskia Tool & Machine, INC., referred as KTM, to directly affect the quality of products we supply to our aerospace customers.

By accepting our purchase order, it is understood that your organization agrees to meet the following AS9100 requirements whenever a KTM purchase order specifies that the order is for an aerospace component.

1. KTM reserves the right of final approval of product, procedures, processes, and equipment.
2. All special processes required by this purchase order must be performed by qualified personnel.



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3. Our organization reserves the right to review and approve the Suppliers Quality Management System. Standard QMS requirements include:
  - 3.1. Suppliers providing special processing must maintain a system for validating processes similar to that of a NADCAP program, or other system as required by this purchase order.
  - 3.2. Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.
  - 3.3. Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, etc.) must notify our organization of any changes to that certification.
  - 3.4. Suppliers providing NADCAP certified services must provide current documentation of these services and shall notify KTM of certification changes such as process, scope and revision.
4. The Supplier shall maintain on file and make available to (upon request) KTM, its customers and/or regulatory authority, all quality data/records such as certificates of material and/or processes, acceptance test reports, inspection records, control plans and other applicable quality control data for a minimum of 10 years from completion of purchase order that directly affects the quality of parts/services ordered by KTM. At the end of the retention period supplier shall provide the option for KTM to take possession of the records.
5. To ensure product identification and traceability, KTM requires material certificates, certificates of conformity, and/or supporting documentation from its suppliers upon accepting of Purchase Order.
6. KTM may require a Corrective Action Report from its suppliers when nonconforming material/product/service is discovered. Specific actions may be implemented where timely and/or effective corrective actions to a supplier issue are not achieved. These actions may include, but are not limited to, removal of the supplier from the approved supplier list



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7. In order to maintain the integrity of the first article inspection process with our aerospace customers, the supplier is required to:
  - 7.1. Notify our organization of nonconforming product immediately upon discovery, including any latent defects in products in already delivered to KTM.
  - 7.2. Obtain our organizational approval for nonconforming product disposition. All parts that are dispositioned as nonconforming must be identified with a discrepant part tag or other means of identification.
  - 7.3. Notify our organization of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations.
  - 7.4. Flow down applicable KTM purchase order requirements to their sub-tier suppliers.
8. KTM, its customers and/or any regulatory authority shall have the right of access to the supplier's facility and all applicable records for parts/services purchased by KTM.
9. All Suppliers providing calibration services must be certified to ISO 17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
10. The Supplier shall provide packaging in accordance with the best commercial packing methods, to protect the product from damage and for safety in handling during the shipping process or, per specific instructions as noted on our purchase order.
  
11. Any new supplier (as of 8/6/2018) for aerospace components shall provide current documentation of all quality system certifications, NADCAP certifications as well as the scope of the accreditations as requested by KTM.

All Purchase Orders ("PO") issued to Supplier KTM are subject to the following Terms and Conditions:

12. **Approved/Certified Suppliers:** Suppliers shall maintain a KTM (KTM) approved quality management system (QMS), demonstrating compliance with all applicable AS9100 requirements.
  - 12.1. If a supplier is certified for a QMS via ISO 9001, AS9100, and/or NADCAP they will be considered as having an KTM approved QMS.
  - 12.2. If a supplier does not maintain their QMS or repeatedly fails to respond to nonconformance issues they will be removed from the approved supplier list and given no new work.
  
13. **Authority:** All agreements between Supplier and KTM shall not be binding on either party unless documented by a new PO or amended PO.



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- 13.1. **Blanket POs:** A Blanket PO may from time-to-time be supplied as a courtesy to Supplier in order to economically schedule Supplier's production and identify in advance any capacity constraints, shipment interruptions, raw material issues, etc. that may arise over the term of the blanket PO. All Blanket PO's are forecasts derived from KTM's End- Customers' forecast(s) of their annual and monthly demand. In the event that the End Customer's forecast changes, KTM has the absolute right to change, at any time, the Supplier's forecasted demand and delivery dates found in Suppliers' blanket PO(s). KTM retains the right to alter delivery quantities and/or delivery dates for parts due beyond the stated lead time from the date of notification, with no liability for excess finished stock, WIP or raw materials.
14. **On-Site Survey & Surveillance (Right of Access):** KTM, their end-customers and/or regulatory authorities (e.g. FAA or DOD) shall have the right to conduct surveys and surveillance within your plant , including any sub-tiers' operations, to evaluate capability to comply with PO and/or quality requirements. Supplier will be required to support KTM's, their customer's, of the third part authority's representative with adequate facilities, equipment and responsible Supplier personnel.
15. **Certificate of Conformance :** Supplier must submit a Certificate Of Compliance (C of C), in an acceptable industry-standard format to certify that the material and processes used to fulfill the PO meet all specified requirements. The necessary documentation and test data must be on file to substantiate the C of C. The C of C must include as a minimum and applicability; Supplier's Name, Supplier's address, KTM PO number, part number, batch/heat number(s), quantity in shipment, authorized name and title (typed and signed), date the C of C was issued, and statement of conformance referencing the specification (including revision).
- 15.1. **Special Process Certifications:** When KTM drawings and/or specifications require special processes, a certification is required for each special process.
16. **Control of Suppliers' Sub-Tier(s):** Supplier shall be wholly responsible for conformance to requirements of materials and services purchased from Supplier's Sub-Tiers. Supplier shall assure and certify their Sub Tiers' performance via inclusion in Supplier's C of C to the requirements of applicable specifications found in all drawings and part documentation.
17. **Code of Conduct:** KTM has a built a reputation and ethical , moral and legal business standards by conducting business with honesty and integrity. If applicable, we ask that our suppliers adhere to the same standards when conducting business with KTM. KTM complies with the letter and spirit of every applicable local, state, federal law or regulation. Violations of these laws or regulations can be extremely costly to KTM and can subject us to criminal penalties. We ask our suppliers to comply with all applicable laws and regulations when doing business with KTM.



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18. **Employment Laws:** We are committed to providing a work environment that is free from all form of discrimination, including sexual harassment and harassment based on race, color, religion, sex, national origin, age, disability or other protected status. We provide equal opportunity in all of our employment practices and seek to ensure that each one of us is treated with fairness and dignity. In addition, we comply with all federal and state laws regarding child labor. We comply with all applicable employment and labor laws.
19. **Occupational Health and Safety and Environmental Laws:** We are committed to providing a healthy and safe work environment. KTM's employees abide by company standards in safety matters, we do our part to maintain a healthy and safe work environment and take the necessary steps to ensure the safety of our employees and the safety of others. We also respect and protect the environment. We are committed to reducing our impact on the planet and endeavor to reduce energy and natural resource consumption. We comply with all applicable environmental laws and regulations.
20. **KTM Gift Policy:** KTM does not make or accept improper payments or gifts. Improper payments include anything of more than nominal value given to any person to obtain preferential treatment for either KTM or an employee. You may not solicit or accept gifts or favors of more than nominal value from persons who deal or seek to deal with KTM. Likewise, you may not give gifts or favors to these persons.
21. **Laws Governing International Activities:** If you are involved in international activities, you must be familiar with the Foreign Corrupt Practices Act. This Act generally prohibits payments to foreign officials to induce actions by them and requires us to maintain accurate books and records and a system or internal controls. We are prohibited from taking any action in support of an international boycott no sanctioned by the U.S. government. If you are involved in exports including the transmission of technical data over the Internet or other electronic means, you must be familiar with the export laws and our policies and procedures.
22. **Conflicts of Interest:** A conflict of interest exists when an individual's duty of undivided commercial loyalty to KTM is or is perceived to be prejudiced by actual or potential personal benefit from another source. Conflicts of interest may result directly through our activities on indirectly through the activities of a family member, person sharing our household or person with whom we are associated. You may not solicit or accept salaries, fees, commissions or any other type of compensation from any individual or organization that conducts or seeks to conduct business with KTM or one of our competitors, and you may not have a financial or other interest in those who deal with KTM. You



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may not make a loan, extend credit to, or receive a loan or credit from those who deal with KTM. You must not directly or indirectly attempt to influence.

23. **Age Control Materials:** All material furnished to support the PO must be clearly marked and identified with the respective cure date, manufacturing date, shelf life, and expiration date, if applicable. All perishable or limited shelf life items requiring controlled storage temperatures must be supplied in containers noting the special storage requirements. Material shipped to KTM shall have a minimum of 75% remaining on the specified shelf life
24. **Material Safety Data Sheets (MSDS):** The supplier must supply an MSDS with the material, if applicable. If data is not immediately available, forward MSDS data form to KTM within 10 days of receiving the order.
25. **Supplier's Incoming Material:** Supplier's procured material and details used in parts supplied to KTM shall be subject to a system that will assure conformance to drawings and specification requirements. The system will use test reports, specifications and inspection verification as appropriate, as well as the physical and chemical properties of the materials. Raw material shall be clearly identified as to the composition, heat treatment, source location, specification number(including revision), and any other characteristics imposed upon us by our end-customers and regulatory agencies.
26. **Quality Control Records:** Records of inspection, test, purchased materials, special processing, engineering changes, serial numbers and other quality assurance activities shall be maintained and available for review by KTM personnel, our customers and/or regulatory agencies. Such records shall be stored for not less than (10) years after completion of the PO contract for non-flight safety parts and forty (40) years after completion of the PO contract for flight safety parts.
27. **Sampling Procedures:** When performing less than 100% inspection, sampling procedures shall be based upon a plan approved by KTM quality assurance unless otherwise specific by customer requirements.



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28. **Change Control (Supplier Changes):** The supplier shall not make any changes to the approved PO of the product or service to specified requirements, unless KTM provides, in writing, official revised documentation. Supplier shall maintain a change control system to ensure all changes to drawings, specifications and/or test methods are incorporated per the AS9100 requirements. When the Supplier's drawing number and revision change level are specified on an KTM drawing, products must conform to both Supplier's and KTM's drawings at the revision change levels shown. Supplier's requested changes to drawings and processes must be transmitted to KTM with sufficient data to enable a complete evaluation of the request. Changes shall not be incorporated until authorized, in writing, by KTM.
29. **Supplier Required Notifications:** The supplier shall notify KTM of nonconforming product and return the material clearly identified with defect information for evaluation. The Supplier shall notify KTM of any changes they would like to make to the product, processes, suppliers, and facilities before the changes are implemented. The Supplier shall wait for approval from KTM (and KTM's Customer's were necessary) before processing any approved parts with the proposed changes.
30. **Process Control :** Specific controls shall be established, defined in writing, maintained and recorded by Supplier on all manufacturing processes. Supplier in the course of continued manufacturing of the product shall not make any changes to any of the operating or control parameters associated with the processes without written approval from KTM. These processes shall include, but are not limited to, anodize, heat treat, passivate, plating, chemical film lube, magnetic particle inspection, liquid penetrant inspection, mechanical tests, and chemical composition analysis.
31. **Tooling, Gauging & Test Equipment:** Supplier shall maintain suitable tools, gauges and test equipment for fabricating, measuring and testing for conformance. Supplier shall maintain a system for periodic inspection & calibration of the test equipment traceable to the National Institute of Standard Technology (NIST). Supplier must also have a positive recall system in place as well as a positive action taken for equipment received out of tolerance that could compromise the quality of the finished product.
- 31.1. Supplier shall ensure that each individual performing final inspection has an eye examination performed by a medically qualified individual annually and that, if correction is required, each individual uses the required



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corrective lenses when performing the inspections. At least one eye must have corrected or uncorrected vision equal to or better than Snellen 14/18, (20/25), Jeager 2 not less than 12 inches.

32. **Identification:** All product supplied to KTM shall be identified in accordance with PO and/or drawing requirements. If serial numbers are required by KTM specifications or drawings, they shall be nonrecurring and the supplier shall maintain records of their application.
33. **Packaging & Preservation:** The supplier shall provide effective damage-avoidance packaging, specifically no metal-to-metal contact of parts (i.e.; provide separators between each part and appropriate dunnage (e.g. avoid parts rattling in the container). Newspaper or small Styrofoam peanuts are not permissible in packaging. Parts shall be properly protected, from initial receipt of WIP parts, through shipment of end-item to KTM (i.e.; shipped, delivered and/or picked up) to prevent damage, contamination and deterioration. Supplier's personnel shall be trained and have knowledge of this clause including all instructions regarding special handling requirements as applicable. Raw material shall be protected against corrosion or rust during manufacturing, storage and shipment. Magnesium alloys, carbon steels, low alloy steels and bare 400 series stainless steels shall be protected adequately.
34. **Shipping Requirements:** Supplier must use the carrier and mode of transportation identified on the PO or unless otherwise authorized, in writing, by KTM.
35. **Acceptance:** Acceptance shall be at KTM's facility or otherwise specified on the PO. Any parts determined as nonconforming may be returned to Supplier for rework at the supplier's expense.
36. **Source Inspection:** KTM's quality people shall have the right to inspect product at Supplier's facility as part of or in addition to its incoming inspection activity. Acceptance of parts by source inspection does not preclude subsequent return of the product if further inspection detects nonconformances. KTM shall notify Supplier 24 hours prior to a source inspection request.



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37. **Nonconforming Material:** The supplier shall identify nonconforming parts clearly with tags, including statement of drawing characteristic, location and actual description of the nonconformity. The supplier is NOT allowed to disposition nonconforming product without written approval from KTM Supplier shall maintain a system for the control, segregation, and identification of nonconforming product. Requests for corrective action must be answered within the time period specified in the "Supplier Rejection Notice E-mail".
38. **Software Control:** The supplier shall establish and implement a "Software Quality Assurance Plan" (SQAP), as applicable, to assure that deliverable and non-deliverable software used directly for design, fabrication, inspection, test or operation of deliverable articles is controlled and complies with the intent of AS9100 requirements.
39. **Mercury Free Material:** Material furnished under the PO must be certified as "Free Of Mercury" in any form. Mercury bearing instruments and/or equipment, which may cause contamination, shall not be used in the manufacture, assembly or testing of these materials. This requirement must be passed on to sub-tier suppliers.
40. **Conflict Mineral Requirement:** All parts must comply with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") regarding the sourcing of tantalum, tin, tungsten and gold from certain mines within the Democratic Republic of Congo (DRC) or adjoining countries as defines in the Act. All necessary steps must be taken to implement conflict-free sourcing wherever possible.
41. **Special Process Certifications:** When KTM drawings and/or specifications require special processes, a certification is required for each special process, including the source performing the process.
42. **Approved Special Process Sources:** Suppliers performing special processes must be NADCAP accredited. Contact KTM for those sources approved, if required.
43. **Certificate of Analysis:** A completed original Mill certified test report, including chemical & physical properties for all raw materials are required with each shipment attached to the packing list. Whenever direct reference to the



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specific material specification is made by the drawing and/or PO, all certifications shall include the applicable specification and its latest revision letter. Supplier's processing shall not alter the chemistry of the item

44. **Parts Sold To The Government:** Source Inspection: All Government work is subject to inspection and test by the Government at all times prior to shipment. The Government representative must be notified 48 hours in advance of the time articles or processes are ready for inspection & test., therefore, contact KTM Purchasing 48 hours in advance of Government inspection.
45. **Castings:** One sample piece, representative of each casting, mold or forging/forming tool or die/mold cavity(s), in any stable material, accompanied with a copy of Supplier's FAIR, must be submitted for KTM written approval of supplier produced tooling. When a casted part includes cored passages or other dimensional design features requiring sectioning of the product for evaluation, Supplier must submit their sectioned layout sample for KTM's evaluation with written approval as well. KTM will not be responsible for quantity production commenced prior to KTM's approval of supplier's tooling/sample product, despite approval (including First Article approval) by our end-customer. KTM's acceptance of a tooling sample(s) does not constitute acceptance of casting Supplier's subsequent production pieces.
46. **Heat Treat:** Annealing, heat treating or stress relief requirements as outlined in the drawing(s) must be documented with the furnace time - temperature chart(s). The chart(s) must be kept on file subject to KTM's quality assurance review and approval, and maintained per the quality record retention requirements specified in these terms and conditions.
47. **First Article Inspection Report (FAIR):** First Article Inspection as required, and written acceptance of product produced per AS9102 may be required. There is no charge to KTM for Supplier's First Article(s).
48. **Counterfeit Parts:** All Suppliers must adhere to AS6174 regarding, Counterfeit Material and Assuring Acquisition of Authentic and Conforming Material. Sellers of raw materials/components shall insure that only new and authentic materials/components are used fulfilling POs to KTM. Distributors may only purchase materials/components directly from original manufacturers. Use of material that was not provided by these sources is not authorized



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unless first approved in writing by KTM. The supplier must present compelling support for its request and include in its request all actions to ensure the material is authentic and conforming including all applicable traceability.

49. **ITAR & EAR:** All drawings and any other accompanying documents provided, if any, may contain information subject to the International Traffic in Arms Regulations (ITAR) and/or the Export Administration Regulation (EAR). Transfer of any Technical Data by any means to a foreign person or foreign entity, whether in the United States or abroad, without first complying with the export license requirements of the ITAR and/or the EAR is against the law and in violation of the terms of any PO. By agreeing to accept any order, Supplier certifies to KTM that Supplier has not violated any ITAR and/or EAR laws in the fulfillment of this order or any subsequent or previous order.
  
50. **General Flow Down Requirements:** All specifications flowed out to the supplier are to be interpreted to the most current revisions unless otherwise specified. Required documentation order of precedence is the PO then the print then an OP sheet. Customer specific flowdown requirements that apply to every PO for that specified customer are shown below. Customer specific specifications on specific processes will be detailed on the PO and/or drawing.



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The following terms and conditions provide Standard suppliers with the guidelines and legal stipulations of our purchase order contract.

1. **Agreement.** This Purchase Order ("Order") is Kaskaskia Tool & Machine, Inc's ("Buyer") offer to purchase from Seller the goods and/or services which are described on the face of this Order. By acknowledging receipt of this Order or by shipping the goods or by beginning to perform the services, Seller agrees to the terms and conditions of sale contained in this Order although Seller's agreement to such terms and conditions is not limited to the foregoing methods . Any terms proposed in Seller's acceptance of this Order which add to, vary from, or conflict with the terms in this Order, are hereby rejected. Any such proposed terms shall be void and the terms in this Order shall constitute the complete and exclusive statement of the terms and conditions of the contract between the Seller and Buyer. If this Order has been issued by Buyer in response to an offer to sell by Seller and if any of the terms herein are additional to or different from any terms of the Seller's offer, then the issuance of this Order by Buyer shall constitute a counteroffer to Seller's offer subject to Seller assenting to such additional and different terms and acknowledging that this Order constitutes the entire agreement between Seller and Buyer. Seller shall be deemed to have assented to these terms and conditions and acknowledged that this Order constitutes the entire agreement between Seller and Buyer by shipping the goods or beginning to perform the services or unless Seller notifies Buyer to the contrary in writing within five (5) days of receipt of this Order.
2. **Prices.** This Order must not be filled at a price higher than shown on the face of this Order. Any change to the purchase price or any other term or condition of this Order must be authorized in writing by Buyer. All prices are FOB Buyer's designated delivery location and include all custom duties and sales, use, excise and property taxes and similar charges.
3. **Price Warranty.** Seller warrants to Buyer that the prices for the goods and/or services sold to Buyer under this Order are not less favorable than those currently extended to any other customer for the same or like goods and/or services in equal or less quantities. If Seller reduces its price for such goods and/or services during the term of this Order, Seller shall correspondingly reduce the price of the goods and/or services sold thereafter to Buyer under this Order.
4. **Delivery.** Time is of the essence. If delivery of the goods is not made in the quantities and on the delivery date or dates specified or the rendering of the services is not completed by the date or dates specified, Buyer shall have the right, in addition to its other rights and remedies provided by law or in equity, to take either or both of the following actions: (i) direct expedited routings of the goods with the Seller paying the difference in cost between the expedited routing and the Order routing cost; (ii) cancel this Order by written notice effective when received by Seller as to goods not yet shipped or services not yet rendered and to purchase substitute goods or services elsewhere and charge Seller with any loss incurred.
5. **Packaging.** All goods must be packaged in the manner as specified by Buyer and shipped in the manner and by the route and carrier designated by Buyer. If Buyer does not specify the manner in which the goods must be packaged, Seller shall package the goods so as to avoid any damage in transit. If Buyer does not specify the manner of shipment, route or carrier, Seller shall ship the goods at the lowest possible transportation rates, consistent with Seller's obligation to meet the delivery schedule set forth in this Order.
6. **Risk of Loss.** Title and risk of loss in transit shall not pass to Buyer until delivery of the goods to the location designated on the face of this Order and acceptance by Buyer. If Buyer rightfully rejects the goods, receives a non-conforming tender, or revokes its acceptance, risk of loss and title shall be deemed to have remained with Seller.
7. **Inspection.** Buyer's payment for the goods shall not constitute its acceptance of the goods. Buyer shall have the right, but not the obligation, to inspect the goods and to reject any of the goods which are in Buyer's judgment defective. Goods so rejected and goods supplied in excess of quantities ordered may be returned to the Seller at its expense. Payment, if any, made for any good rejected hereunder shall be promptly refunded by Seller. The fact that Buyer fails to inspect or test any goods shall not affect any of the Buyer's rights.
8. **Invoices and Payment.** Invoices shall contain the PURCHASE ORDER NUMBER, item number, description of goods or services, quantities, unit prices, and total purchase price. All taxes shall be stated separately. All claims for money due or to become due from Buyer shall be subject to deduction by Buyer for any setoff or counterclaim arising out of this or any other of Buyer's Orders with Seller.



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9. Changes. No modification of this Order shall be effective without Buyer's prior written consent. Buyer reserves the right to change (i) specifications and drawings where the goods are being specifically manufactured for Buyer, (ii) the place of delivery, (iii) the time of delivery, or (iv) the quantity purchased.
10. Cancellation. Buyer may cancel this Order or any part thereof if Seller breaches any provision of this Order. This Order will terminate automatically, without notice, if Seller becomes insolvent or the subject of any proceeding under the law relating to bankruptcy or the relief of debtors. Buyer may also terminate this Order or any part thereof for the sole convenience of Buyer.
11. Warranty. Seller warrants to Buyer that all goods covered by this Order shall conform to the specifications, drawings, samples or other descriptions specified by Buyer or if none are specified, to Seller's standard specifications for such goods. Seller also warrants to Buyer that all goods shall be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defect. Buyer's inspection, test, acceptance or use of the goods shall not affect Seller's obligations under these warranties. Seller shall replace or correct, at Buyer's option and at Seller's cost, defects of any goods not conforming to these warranties. If Seller fails to correct defects in or replace nonconforming goods within ten (10) days from the date the Buyer notifies Seller of the defect or defects, Buyer may, upon ten (10) days prior written notice to Seller, either (i) make such corrections or replace such goods and charge Seller for all costs incurred by Buyer, or (ii) revoke its acceptance of the goods in which event Seller shall be obligated to refund the purchase price and make all necessary arrangements, at Seller's costs, for the return of the goods to Seller. All warranties of Seller herein or which are implied by law shall survive any inspection, delivery, acceptance or payment by Buyer.
12. Patent Indemnification. Seller shall defend, at its own expense with counsel reasonably satisfactory to Buyer, any action against Buyer for any alleged infringement of patent, invention or copyright rights arising from the sales or use of the goods. Seller shall indemnify Buyer from any damages, liabilities, claims, losses and expenses (including attorneys' fees) paid or incurred by Buyer in connection with any such action. Buyer, at its expense, may participate in the defense of any such action, but shall not be obligated to so participate.
13. Indemnification. Seller shall indemnify and hold Buyer and its affiliates harmless and, upon request, shall defend each of them from and against any or all claims, demands, litigation or proceedings of whatever kind, whether based upon negligence, breach of express or implied warranty, strict liability or any other theory, and from and against all direct, indirect, special, exemplary, incidental or consequential damages of every kind whatsoever, arising out of, by reason of, or in any way connected with the goods and/or services, the design, manner of preparation, manufacture, construction, completion, or delivery or non-delivery of any goods and/or services by Seller, any breach by Seller of any of its obligations hereunder, or any other act, omission or negligence of Seller or any of Seller's employees, workers, servants, agents, subcontractors or suppliers. Seller shall, upon request, pay or reimburse Buyer or any other party entitled to indemnification hereunder for all costs and expenses, including attorneys' fees, as incurred by Buyer or such other party in connection with any such claim, demand, litigation, proceeding, loss or damage. **BUYER'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS ORDER IS LIMITED TO THE AMOUNT PAID BY BUYER FOR THE GOODS AND/OR SERVICES. TO THE MAXIMUM EXTENT ALLOWABLE UNDER APPLICABLE LAW, BUYER SHALL NOT BE LIABLE UNDER THIS ORDER FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR REVENUES EVEN IF BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**
14. Confidentiality. All specifications, documents, and prototype goods delivered by Buyer to Seller are the property of Buyer. They are delivered solely for the purpose of Seller's performance of this Order and on the express condition that the information contained therein shall not be disclosed to others nor used for any purpose other than in connection with this Order except with Buyer's prior written consent. If Buyer gives written consent, Seller will strictly comply with the terms and conditions of any consent and, even after such consent, will not use Buyer's name or any of its trademarks, service marks, trade names, or logos except with the express prior written consent of Buyer to the specific use. Seller shall promptly return to Buyer all such specifications, documents and prototype goods upon Buyer's written request. Seller's obligations under this Paragraph shall survive the cancellation, termination or completion of this Order.
15. Force Majeure. Buyer may delay delivery and/or acceptance occasioned by causes beyond its control.
16. Remedies. Each of the rights and remedies reserved to Buyer in this Order shall be cumulative and additional to any other remedies provided in law or equity. No delay or failure by Buyer in the exercise of any right or remedy shall affect any such right or remedy and no action taken or omitted by Buyer shall be deemed to be a waiver of any such right or remedy.



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17. Assignment. This Order may not be assigned by Seller except with Buyer's prior written approval.
18. Compliance with Laws. Seller warrants to Buyer that all goods supplied hereunder will have been produced in compliance with all applicable foreign, federal, state and local laws, orders, rules and regulations. Seller shall furnish Buyer, no later than the date the goods are delivered, with a Material Safety Data Sheet for any goods which are covered by the Occupational Safety and Health Act Hazard Communications Standard as contained in 29 C.F.R. § 1910.1200. Seller also warrants to Buyer that Seller is an affirmative action/equal opportunity employer, and Seller hereby certifies that it is in compliance with all applicable foreign, federal, state and local employment laws, orders, rules and regulations. Further, the Seller agrees to comply, as appropriate, with the Small Business Act and the Small Business Regulatory Enforcement Fairness Act of 1996 and the regulations thereunder, as each may be amended and in effect. Seller shall indemnify Buyer from any damages, liabilities, claims, losses, penalties and expenses (including attorneys' fees) paid or incurred by Buyer as a result of any breach by Seller of these warranties. Seller shall be required to obtain and pay for any license, permit, inspection or listing by any public body or certification organization required in connection with the manufacture, performance, completion or delivery of any good and/or service.
19. Government Contracts. If this Order bears a government contract number on the face of this Order, Seller shall comply with all pertinent provisions of said government contract and pertinent executive orders and directives to the extent that they apply to the subject matter of this Order and all such pertinent contract provisions, orders and directives are hereby incorporated by reference into this Order. A copy of the government contract's terms and conditions will be given to Seller upon request.
20. Notices. All notices, consents, waivers and other communications required or permitted to be given pursuant to this Order, shall be in writing and shall be deemed to have been delivered either (i) on the delivery date, if personally delivered, or if delivered by confirmed facsimile or e-mail, (ii) one (1) business day after delivery to any national overnight courier directing delivery on the next business day, receipt requested, or (iii) three (3) business days after deposit in the United States mail, registered or certified mail, return receipt requested, with adequate postage affixed thereto. All notices to Buyer shall be sent to Kaskaskia Tool & Machine, Inc., 107 South Benton St., New Athens, IL 62264, to the attention of Purchasing, and to Seller at its address as set forth in this Order, or at such other address as either party may designate in writing to the other party.
21. Severability. If any provision of this Order shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, this provision shall not affect any other provision or provisions contained in this Order.
22. Paragraph Titles. The paragraph titles are solely for convenience of reference and shall not affect the meaning or construction of any provision of this Order.
23. Jury Trial Waiver. The Seller and Buyer hereby waive trial by jury in any action, proceeding, claim or counterclaim, whether in contract or tort, at law or in equity, arising out of or in any way related to this Order.
24. Applicable Law. This Order shall be governed and construed in accordance with the laws of the State of Illinois without regard to its conflict of law principles.
25. Dispute Resolution. All causes of action arising hereunder or related in any way hereto shall be brought only in the federal and state courts in St. Clair County, Illinois and Seller hereby submits to the jurisdiction of such courts and waives any claim that such courts are an inconvenient forum. An action by Seller arising out of or related to this Order shall be commenced within one (1) year from the date the right, claim, demand or cause of action shall first occur or be barred forever.
26. Survival. In addition to those terms that survive the expiration or termination of this Order by their express terms, the provisions of Sections 11, 12, 13, 14, 18, 23 and 25 shall survive the expiration or termination of this Order for any reason. Seller acknowledges that any breach of the terms, conditions, or covenants set forth in Sections 14 or 18 may cause irreparable damage to Buyer and that a recovery of damages at law would not be an adequate remedy. Accordingly, in the event that Seller breaches the terms, covenants or conditions of Sections 14 or 18, Seller hereby consents to a restraining order and/or injunctive relief against Seller, without the posting of bond, in addition to any other legal or equitable rights or remedies Buyer may have.



# Kaskaskia Tool & Machine, Inc.

## Purchase Order Terms & Conditions

### Supplier Acknowledgement:

This document serves to insure KTM and our suppliers understand the needs of AS9100, ITAR, and other special customer requirement that that are implied when doing work in the Aerospace or Critical fields.

This applies to all current and future purchase order procurements obtained through your company and doesn't have an expiration date. KTM may in the future amend this agreement and another signature on file will be required.

Your \_\_\_\_\_ (company name) has received and reviewed these Requirements and General Terms and Conditions. These conditions can and will be met, (unless agreed to in writing, at the time of order acceptance, to deviate) your company has the intent to fulfill them for any Purchase order contract issued to you by KTM.

DATE: \_\_\_\_\_

Signature: \_\_\_\_\_ Title \_\_\_\_\_

Email this last page to the appropriate order procurements personal at KTM.