

## STROCO Manufacturing, Inc. **VENDOR Terms and Conditions & Quality Clauses**

1. **RIGHT OF ENTRY.** During the course of this contract, Vendor and their sub-tier vendors will allow STROCO personnel, STROCO customers and regulatory authorities to enter and inspect its facilities and records involved with this order upon request.
2. **RECORD CONTROL.** Vendor shall retain all quality records relating to this order, including material test reports and processing records, for a minimum of 10 years. For record retrieval, a 48 hour or less turn time is required.
3. **NON-CONFORMING MATERIAL.** Vendor will notify STROCO of any non-conformity found in the purchased product within 24 hours of discovery of such non-conformity, regardless of whether it is prior, during, or after receipt of the product. STROCO or its customer shall have the right to approve or disapprove of any suspect or non-conforming product. No known non-conforming product shall be supplied to STROCO without written authorization from STROCO.
4. **CHANGES TO PURCHASE ORDER SPECIFICATIONS.** After its receipt of the order, Vendor will notify STROCO of any changes to product or process specifications, and STROCO will have the right to approve any such change or, alternatively, cancel or modify the order.

STROCO shall notify its customer immediately if there is any discrepancy between the requested revision level or specification and the current or provided revision level or specifications.

Vendor shall notify STROCO of any changes in product and/ or process, change of suppliers, change of manufacturing facility location, definition or configuration and obtain prior approval from STROCO prior to shipping product.

5. **CERTIFICATIONS.** When it is indicated that the Purchase Order can affect end item quality, certifications must accompany product delivery. STROCO reserves the right to refuse delivery of any shipment without applicable certifications. Delivery will not be complete until appropriate certification is received.

Vendor shall ensure that all product is inspected and validated using acceptable monitoring and measuring equipment prior to shipment. Vendor shall ensure that all tools used for final acceptance are calibrated to NIST standards and equipment calibrations are current.

6. **FLOW DOWN.** Vendor will flow down information and requirements specified on this Purchase Order to sub-tier vendors, subcontractors, etc., paying particular attention to key characteristics or requirements. When it is determined that the vendor is responsible for: A) The root cause of a non-conforming product, B) Ineffective Corrective Action, or C) Failure to respond with the specified time, a Corrective Action will be issued. Acceptance of this PO indicates your agreement with flow down requirements and/or proper end item user process specification requirements.

7. **FOD PREVENTION.** Vendor shall maintain a FOD prevention program in accordance with the National Aerospace Standard NAS-412, Foreign Object Damage/Foreign Object Debris (FOD) Prevention. Whenever and/or wherever FOD entrapment or foreign objects can migrate, Vendor shall ensure that FOD requirements are flowed down to Vendor's subcontractors at every tier. Prior to closing inaccessible or obscured areas and compartments during assembly, Vendor shall inspect for foreign objects/materials and ensure no FOD barriers remain embedded, e.g. embedded protective plugs. Vendor shall ensure tooling, jigs, fixtures, and test or handling equipment are maintained in a state of cleanliness and repair sufficient to prevent FOD. By delivering items to STROCO, Vendor shall be deemed to have certified to STROCO that such items are free from any foreign materials that could result in FOD.

8. **COUNTERFEIT PARTS PREVENTION AND CONTROL PLAN.** Vendor shall establish and maintain a prevention and control plan for counterfeit parts and material using industry standards AS6174 and AS5553 as guidelines. The purpose of the plan shall be to prevent the delivery of counterfeit parts and material, and control parts and material identified as counterfeit.

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9. **ITAR (MILITARY) STATEMENT.** Documents and data supplied by STROCO may contain technical data within the definition of the International Traffic and Arms Regulations (ITAR) and is subject to the Export Control Laws of the U.S. Government. Transfer of this data by any means to a foreign person or foreign entity, whether in the United States or abroad, without an export license, ITAR exemption or other approval from the U.S. Department of State is prohibited.

10. **PAYMENT TERMS.** Unless otherwise indicated on the face hereof, STROCO shall pay in full the net amount of each invoice submitted to Vendor within 45 days of the date thereof.

11. **FORCE MAJEURE.** The obligations of both Vendor and STROCO under this agreement are subject to any delays or cancellations caused by any condition or occurrence beyond the control of the performing party, including but not limited to strikes, fires, riots, wars, acts of God, inability to obtain materials or intervening government regulation.

12. **ENFORCEMENT OF CONTRACT.** Suit to enforce or set aside this agreement or suit over any of the rights and obligations arising from the work to be performed hereunder must be brought in a court having jurisdiction in the State in which STROCO resides. In the event any party brings suit to construe or enforce the terms of this agreement or raises this agreement as a defense in a suit brought by another party, the prevailing party as determined by the court is entitled to recover its reasonable attorneys', consultants' and experts' fees and expenses.

13. **NOTICES.** All notices to be made under this agreement shall be addressed to the recipient at the address specified by the recipient.

14. **NO WAIVER.** No failure on the part of either party to exercise, and no delay in exercising, any right granted hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise of any other right.

15. **AMENDMENT.** No amendment of this agreement shall be effective unless it is in writing and signed by STROCO and Vendor.

16. **ASSIGNMENT.** Neither party shall assign its rights and obligations under this contract without the written approval of the other party, which consent will not be unreasonably withheld.

17. **CUSTOMER SUPPLIED TOOLING.** Any customer supplied material will be stored and preserved in the way that it was received. All customer supplied material requirements that are flowed down to STROCO by our customer will also be followed and adhered to.

18. **ETHICS REQUIREMENT.** Acceptance and implementation of the subcontract constitutes a declaration and agreement by the principal executive officers of the Vendor that no bribes, rebates, gifts, kickbacks, or gratuities to secure the Prime Contract, Purchase Agreement or the subcontract, or for favorable treatment under such agreements, or for any other purpose relating to the Prime Contract, Purchase Agreement or the subcontract have been or will be directly or indirectly offered or given to, or have been or will be arranged with officers, officials or employees of STROCO by the Vendor, its employees or agents.

19. **CONFLICT MINERALS REPORTING.** STROCO'S Vendors shall comply with the Dodd-Frank Act and the Conflict Minerals reporting requirements of the Securities and Exchange Commission (SEC). Vendors shall validate the country of origin of minerals used in their materials or products and shall take steps to ensure the use of Conflict free Minerals.

**All sales shall be subject to the Terms and Conditions & Quality Clauses set forth. Terms and Conditions & Quality Clauses are subject to change without notification.**