

AMB Purchase Order General Provisions

These General Provisions and those set forth in American Metal Bearing's (AMB) Purchase Order constitute the offer to Seller, and acceptance is strictly limited to its terms. AMB shall not be bound by and specifically objects to any term or condition whatsoever that is different from or in addition to the provisions of this agreement, whether or not such term or condition will materially alter this agreement. Seller's commencement of performance or acceptance of these terms and conditions in any manner shall conclusively evidence agreement to the terms as written and shall create a binding agreement between Seller and AMB.

1. Definitions

- 1.1. "Buyer" means AMB, acting through Buyer's authorized purchasing representative.
- 1.2. "DFAR" means the Defense Federal Acquisition Regulation Supplement
- 1.3. "FAR" means the Federal Acquisition Regulation
- 1.4. "Order" means the instrument of contracting including the order form and all documents it references (including but not limited to these general provision, plans, drawings, specification, and regulations.)
- 1.5. "Party" means either the Customer or AMB according to the context in which the term appears. "Parties" shall refer to the Customer and AMB collectively.
- 1.6. "Prime Contract" means the contracting instrument issued by the U.S. Government for the acquisition of Products.
- 1.7. "Product" means those goods, supplies, reports, software, parts lists, data, materials, articles, items, parts, components or assemblies, drawings, procedures, manuals, forms, test reports, and any Services described in this order. For the purposes of "Inspection" provision, the term "Product" also includes but is not limited to raw material, components, and intermediate assemblies that comprise the Product.
- 1.8. "Seller" means the company detailed in the Order from whom AMB shall purchase parts and / or services.
- 1.9. "Services" means Seller's time and effort, including any Products, supplies, materials, articles, items, parts, components or assemblies incidental to the performance of the service.

2. Acceptance of Offer:

- 2.1. This order is Buyer's offer to Seller. Acceptance of this offer is strictly limited to the terms and conditions in this offer. Modifications hereto, to be binding, must be in writing and issued by Buyer's authorized purchasing representative. Seller's acknowledgement, acceptance of payment, or commencement of performance shall be conclusive evidence of acceptance of this offer as written. Buyer hereby objects to any additional or different terms container in Seller's acceptance.

3. Order Of Precedence:

- 3.1. In the event of any inconsistency between any parts of this Order, the inconsistency shall be resolved by giving precedence in the following order:
 - (i) The order and any modifications or changes thereto exclusive of items (ii) through (vi).
 - (ii) Any AMB supplement including FAR and DFAR clauses (and any other regulations reference therein) or other special provisions to these General Provisions (also referred to as terms and conditions) as invoked in this Order.
 - (iii) These General Provisions including referenced FAR and DFAR clauses (and any other regulations referenced therein)
 - (iv) Statement of Work.
 - (v) Specification/Drawing.
 - (vi) Other documents reference in this order.
- 3.2. Seller shall immediately bring any inconsistencies to the attention of Buyer in writing, and any inconsistencies in or among any of the foregoing shall not be the basis for any defense of a breach of contract claim brought by Buyer against Seller for Seller's failure to perform under this Order, nor shall any such inconsistencies be the basis for any claim of any kind by Seller against Buyer unless Seller has first timely brought such inconsistencies to Buyer's attention and Buyer has failed to resolve such inconsistencies.

4. Entire Agreement:

- 4.1. This order constitutes written confirmation of the entire agreement between the Parties. The Parties shall not be bound by any other statements or understandings, oral or written, not set forth in this Order.

5. DOD Rated Order:

- 5.1. This may be a rated Order certified for national defense use and support's Buyers work under a Prime Contract with the U.S. Government. The applicable priority rating is stated in the header text of the Order. Seller shall comply with the defense priorities and allocation system regulations (15 CFR Part 700) and all other applicable regulations for obtaining controlled Products and other Products and Services needed to fill this Order.
- 5.2. Seller shall include the substance of this provision in all subcontracts Seller places in support of this Order.

6. Delivery

- 6.1. The Supplier's contract delivery date is the date by which the material shall be received at the shipping destination specified in this Purchase Order. All material will be delivered Free On Board (FOB) place of destination to the address specified in the Purchase Order during AMB shipping and receiving hours. Supplier will provide written notice of shipment to AMB when material is delivered to a carrier for transportation. Supplier will promptly provide AMB all shipping and documents including: commercial invoice, packing list, air waybill/ball of lading, and any other documents necessary to release material to AMB. The Purchase Order number shall appear on all shipping documents, shipping labels, bills of lading, airway bills, invoices, correspondence, and other documents pertaining to the Purchase Order.
- 6.2. Whenever it appears Seller will not meet the delivery schedule, Seller shall immediately notify Buyer in writing of the reason and estimated length of delay. The notice shall be informational only and shall in no way affect the rights or remedies available to the Buyer. Seller shall make every effort to avoid or minimize the delay to the maximum extent possible. Any additional cost incurred by Buyer or Seller because of late delivery shall be borne by Seller unless specifically authorized in writing by Buyer.
- 6.3. If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to:
 - (i) Terminate this Order, or
 - (ii) Fill this Order or any portion thereof, from sources other than Seller and to reduce Seller's Order quantities accordingly at no increase in unit price, without any penalty to Buyer.
- 6.4. All Parties expressly agree that time is and shall remain of the essence in performing this Order and no acts of Buyer, including without limitation, modifications to this Order or acceptance of late deliveries, shall constitute a waiver of this provision.
- 6.5. Buyer shall have no obligation to return or pay for any quantities in excess of those specified in this Order.

7. Termination For Default

- 7.1. Buyer may terminate this Order in whole or in part at any time without liability if Seller:
 - (i) Fails to make delivery of the Products within the time specified in this Order, or
 - (ii) Fails to perform any of the other provisions of this Order or so fails to make progress as to endanger performance of this Order in accordance with its terms, including the completion of those items within the time set forth elsewhere in this Order and in either of these two circumstances does not cure such failure within a period of ten days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure, or
 - (iii) Becomes insolvent or fails to provide additional assurances of financial solvency when it reasonably appears that Seller is or will not be financially solvent and additional assurances are requested by Buyer.
- 7.2. If Buyer terminates part of the work under order, Seller shall continue performance of this Order to the extent not terminated.
- 7.3. Refund of Payments. Seller shall, upon termination by Buyer due to default by Seller, return any payments Seller received under this Order for the terminated work.
- 7.4. If after a default termination, Seller is liable to pay liquidated damages to the Buyer. The liquidated damages shall be paid to the Buyer within 30 days after receipt of the first written notice from the Buyer or such other date as specified in a court judgement or order stating the amount payable.
- 7.5. If after a default termination, it is determined that Seller was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the terminated had been issued for the convenience of Buyer.
- 7.6. The rights and remedies of Buyer provided in this provision shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity or otherwise provided under this Order.

8. Termination for Convenience

- 8.1. AMB reserves the right to terminate this Agreement, or any part hereof, for its sole convenience. In the event of such termination, Seller shall immediately stop all terminated work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this Agreement, Seller shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges Seller can demonstrate to the satisfaction of AMB using its standard record keeping system, have resulted from the termination. Seller shall not be paid for any work performed or costs incurred that reasonably could have been avoided.
- 8.2. In the event AMB is purchasing Product that has not been customized or otherwise modified for AMB, AMB will only pay Seller a reasonable and mutually agreed restocking fee for the termination of such work.

9. Packaging

- 9.1. Seller shall clean, preserve, package, and mark all materials for shipment according to AMB's instructions or, if there are no instructions, in a manner sufficient to prevent deterioration and damage during shipment or storage for up to two years. Failure to follow packaging instruction or damage resulting from improper product packaging will be charged to seller. Shipment shall be accompanied by all original material testing reports as indicated by the referenced specification(s), drawing(s) and/or this Order. Materials from differing Heat / Lots shall be segregated and identified to the specific Heat / Lot by marking or tags applied directly to the material. The packing slip and accompanying reports shall be enclosed in a letter sized waterproof pouch.

10. Objective Quality Evidence:

- 10.1. Objective Quality Evidence (OQE) means any statement of fact, either quantitative or qualitative, pertaining to the quality of a product or service based on observations, measurements, or tests which can be verified. (Evidence will be expressed in terms of specific quality requirements or characteristics. These characteristics are identified in drawings, specifications, and other documents which describe the item, process, or procedure.)
- 10.2. All drawings, procedures, manuals, forms, test reports, COC's, software, and other data that is required to be delivered under this Order shall comply with the terms of this Order. OQE shall be delivered to Buyer on or before the time specified in this Order. Seller shall submit OQE:
- (i) Accompanied with the respective Product to be delivered
 - (ii) Electronically to certificates@ambco.net using methods that satisfy the requirements of any applicable cybersecurity requirements.
- 10.3. Buyer may withhold payment if Seller fails to deliver any OQE in accordance with the terms of this order.
- 10.4. A Certificate of Conformance (COC) shall be furnished for the material ordered under this Purchase Order. The COC shall be accompanied by OQE. An inspection report that includes measurements for every dimension or feature listed on the product drawing or description shall be included. Nondestructive Test (NDT) Reports, as applicable, shall be signed, dated and stamped by a qualified NDT examiner. All certificates and reports shall be complete and legible. Failure to provide applicable documents in accordance with the referenced specification(s), drawing(s) and/or this procurement document shall result in rejection of the shipment. Any returned material will be at seller's expense.
- 10.5. The COC shall include the following references:
- (i) Seller's name and address
 - (ii) Buyer's Order number and line-item number
 - (iii) If Seller is not the manufacturer, the manufacturer's name and address.
 - (iv) Buyer part number as specified by the Order document.
 - (v) Revision level to which the Product was manufactured.
 - (vi) Traceability information, if required, representative of each item - to include the lot trace (e.g., date, batch, heat) or the individual item trace (e.g., serial number)
 - (vii) When multiple Product manufactures and/or multiple lots are included in one shipment, seller shall separate and identify respective manufacturer's lots and indicate each lot quantity.
- 10.6. As a minimum, the COC should state the following:
- This is to certify that the item(s) furnished on American Metal Bearing (AMB) purchase order _____, AMB Part Number _____ is/are in full compliance with all purchase order and specification requirements of the order. Compliance for quality assurance has been determined by testing and/or inspection in accordance with the purchase order and specification requirements. Records are on file to verify compliance and are available to the Buyer for review upon request.

- 10.7. The COC shall not contain phrases such as "to the best of our knowledge and belief."

11. Inspection:

- 11.1. Except as otherwise provided in this Order, Seller shall maintain an inspection and quality control system acceptable to Buyer to be performed on products delivered under this Order. As part of the system, Seller shall prepare records evidencing all inspections made under the system, and the outcome. Buyer or Buyer's customer shall have the right to perform reviews and evaluations as reasonably necessary to ascertain Seller compliance with an inspection or quality control system that is acceptable. The right of review, whether exercised or not, does not relieve Seller of its obligations under this Order.
- 11.2. Buyer or Buyer's customer has the right to inspect and test all Products to the extent practicable, at all places and times, including the period of manufacture, and in any event before or after acceptance. Buyer assumes no contractual obligation to perform any inspection and test for the benefit of Seller. If Buyer or Buyer's customer performs and inspection or test on the premises of Seller or a subcontractor of Seller, Seller shall furnish, and shall require its subcontractors to furnish, at no increase in Order price, all reasonable facilities and assistance for the safe and convenient performance of such inspection and test. Buyer reserves the right to charge to Seller any additional cost of inspection or test Buyer or Buyer's customer when:
- (i) Products are not ready at the time such inspection or test is required by this Order or has been otherwise scheduled by mutual agreement of the parties; or
 - (ii) Reinspection or retest of the Products is necessitated by prior rejection.

- 11.3. Seller shall not have material review board authority on non-conformances to this Order, drawing(s), specification(s), or any of its flow down requirement(s). All non-conformance which controls form, fit and, function shall be submitted to Buyer for disposition. Under no circumstance shall non-conforming product be shipped without prior disposition and approval from Buyer.
- 11.4. Buyer has the right to either reject or to require correction of nonconforming parts Products. Products are nonconforming when they are defective in material or workmanship or are otherwise not in conform with requirements of this Order. Buyer may reject nonconforming Product with or without disposition instructions.
- 11.5. Seller shall remove Products rejected or required to be corrected; however, Buyer may require or permit correction in place, promptly after notice, and by and at expense of Seller. Seller shall not tender for acceptance corrected or rejected Product without disclosing the former rejection or requirement for correction, and when, required, shall disclose the corrective action taken.
- 11.6. Seller, at its own expense, shall promptly rectify, any defects discovered during any inspection or test.
- 11.7. If seller fails to promptly remove, replace, or correct rejected Products that are required to be removed or to be replaced or corrected, Buyer may either:
- (i) Remove, replace, or correct the Product(s) and charge the cost to Seller; or
 - (ii) Terminate this Order for default.
- 11.8. If Buyer elects to correct the deficiencies in the Product(s), then the parties agree that Seller will pay Buyer's actual costs and Buyer's labor at Buyers fully-burdened hourly rates (as appropriate) utilizing the then-current rate set for change-order activity. If Seller fails to correct or replace the Product(s) within the delivery schedule, Buyer may require their delivery with an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
- 11.9. Products that have been reworked or repaired by Seller after having been rejected by Buyer shall be identified as "Resubmitted." Seller shall annotate the packing slip with the words "Resubmitted Material," the reason for the previous rejection, the Buyer Inspection Report, and the Nonconformance Report. If Products were inspected at the source and rejected, such information shall also be annotated on the packing slip.
- 11.10. Seller shall flow down the substance of this provision to all of its suppliers engaged for performance under this Order.
- 11.11. Neither Buyer's in-process inspection nor Buyer's approval of any Seller's drawings, procedures or other submittals shall:
- (i) Constitute acceptance of any work
 - (ii) Relieve Seller of complying fully with all of the requirements of this Order.

12. Origin Of Test Reports for Chemical and Mechanical Properties:

- 12.1. The test reports for chemical and mechanical properties required in this Order shall be those issued by the original producer of the material which certify conformance to the specification invoked.
- 12.2. In cases where the producer or melt source is not a domestic source, the country of origin shall be indicated on the test report, or if not identified, annotated on the test report by the Seller. If the producer or melt source is a domestic source, the test report shall be clearly indicated as such, or annotated on the test report by the Seller as produced or melted by a domestic source (United States of American or its outlying areas)
- 12.3. If the material receives subsequent processing (i.e., heat treat, hot or cold forming/working etc.) by the Seller or his sub-tier supplier(s) to make it conform to the required specification, the test reports for the material and its final condition (as supplier to the Buyer) shall be accompanied by a copy(ies) or the original producer's certification(s).
- 12.4. When heat treatment is required or performed, a record of the heat treatment is required. Records of heat treatment at shall include as a minimum:
- (i) Specific times and temperatures
 - (ii) Quantity of items and item name
 - (iii) Date of heat treatment
 - (iv) Name of the activity performing heat treatment
 - (v) The material identification that provides positive traceability to objective quality evidence
- 12.5. Where the number of test specimens is dependent upon the original total lot size, the Seller shall identify the original total lot size, the Seller shall identify the original total lot size in addition to the quantity shipped to allow verification during independent review that the appropriate number of tests were performed.

13. Non-Destructive Testing:

- 13.1. This Order may require one or more methods of NDT - LT, LPT, MPT, RT, UT or VT. Seller shall maintain written procedures for all NDT methods used on Product delivered under this Order. If specific standards or specifications are called out on the drawing or Order, then Seller's procedures shall reflect such requirements. All testing shall be performed by qualified inspectors, and records of inspector's certifications shall be maintained. The above procedures and records shall be made available to Buyer upon request. With each shipment of product on which test methods have been performed, Seller shall submit test reports that include procedure number and revision, summary of the technique, equipment and materials used, test results, name and signature of persons performing and authenticating the test, qualification level of persons interpreting the results (e.g.,

Level I, II or III), part numbers, serial numbers, lot number, heat number and other appropriate identification.

14. Record Retention

- 14.1. Seller agrees to retain all documents and records associated with performance under this Agreement for the time periods designated in FAR Part 4.700 or a longer period if specified elsewhere in this Agreement or directed by the Buyer.
- 14.2. Seller will provide timely access to these records, at no cost, upon request.

15. General Workmanship:

- 15.1. Unless otherwise specified, Product shipped against this Order shall be free of dents, gouges, burrs, scratches, sharp edges, foreign matter, or any other evidence of poor workmanship standards that shall create a condition that renders said part unsatisfactory for its intended use. All material supplied under this Order must be manufactured and finished to the highest quality practical and in a workmanship like manner by trained and qualified personnel.

16. Suspect/Counterfeit Parts:

- 16.1. "Suspect/Counterfeit Parts" are parts that may be of new manufacture but are misleadingly labeled to provide the impression they are of a different class or quantity or from a different source than is actually the case. The term "suspect/counterfeit parts" also includes refurbished parts, with or without false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government, including but not limited to parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP).
- 16.2. Seller will ensure that suspect/counterfeit parts are not incorporated into any Products. The intentional or unintentional use, incorporation, or delivery of suspect/counterfeit parts is strictly prohibited. This includes a suspect/counterfeit part being provided either as an end item deliverable or as a component or subcomponent of an end item deliverable under this Order.
- 16.3. Seller represents and warrants that it has policies and procedures in place to ensure that none of the Products furnished to Buyer under this Order are or contain "suspect/counterfeit parts." Seller further certifies, to the best of its knowledge and belief, that no "suspect/counterfeit parts" have been or will be furnished to Buyer by Seller under this Order.
- 16.4. If Seller becomes aware or suspects that it has furnished suspect/counterfeit parts or if Buyer determines including as a result of alerts from the U.S. Government, that Seller has supplied suspect/counterfeit parts to Buyer and so notifies Seller, Seller shall immediately replace the suspect/counterfeit parts with parts acceptable to Buyer and conforming to the requirements of this Order. Notwithstanding any other provisions of this Order, Seller shall be liable of all costs incurred by Buyer to remove and replace the suspect/counterfeit parts, including without limitation all costs incurred by Buyer relating to the removal of such suspect/counterfeit parts, the reinsertion of replacement parts and any testing necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. The parties agree that Seller will pay Buyer's actual costs and Buyer's labor at Buyer's fully-burdened hourly rates (as appropriate) utilizing the then-current rate set for change-order activity. All such costs shall be deemed direct damages.
- 16.5. Buyer at its discretion:
 - (i) Remove and or retain both all Products supplied by Seller that are suspected of being or containing suspect/counterfeit parts pending reporting to the appropriate law enforcement authorities and final disposition of the Products by them. Seller shall be liable for all costs relating to Buyer's removal and retention of the suspect/counterfeit parts.
 - (ii) Turn over to the appropriate authorities (e.g., without limitation, the Defense Criminal Investigative Service, Naval Criminal Investigative Services, Federal Bureau of Investigation, Offices of the Inspector General, etc.) any Products suspected of being or containing suspect/counterfeit parts and reserves the right to withhold payment for the Products pending results of any investigation or proceedings related to the matter.

- 16.6. Seller's warranty against suspect/counterfeit parts shall survive any termination or expiration of this Order.
- 16.7. Seller shall insert a clause containing all of the terms of this provision in all subcontracts under this Order.

17. Flow Down Requirements

- 17.1. Seller shall flow down all applicable requirements of this Order to their sub-tiers to ensure conformance with all specifications, drawings, quality requirements, regulations, and any additional requirements specified in this Order.

18. Qualifying Countries & Conflict Minerals:

- 18.1. Material shall be produced in the U.S.A or any qualifying country as defined in DFAR 48 CFR § 225.872-1 (ref:41 U.S.C.10a). Materials containing columbite-tantalite (coltan), cassiterite, wolframite, and gold, or their derivatives tantalum, tin, and tungsten shall be free of Conflict Minerals as defined by Section 1502 of the U.S. Dodd Frank Act. Product received where the material certification shows the source other than those allowed will be cause for rejection and returned at the Supplier's expense.

19. Tooling

- 19.1. Buyer will be the owner of any equipment, tooling, pattern(s), or fixturing furnished or paid by for Buyer (collectively, "Buyer Tooling"). Seller will, to the extent feasible, identify Buyer tooling as Buyer directs and will dispose of Buyer tooling only in accordance with Buyer's written instructions. Seller assumes complete liability for any Buyer tooling and Seller agrees to pay for all repair or replacement due to improper handling or storage. Unless otherwise authorized by Buyer, Seller use will Buyer tooling solely in the performance of purchase order for Buyer. Buyer reserves the right to request and receive a list of Buyer tooling in Seller's possession and to audit such list against Buyer tooling at Seller's facility.

20. Warranty

- 20.1. Seller warrants that all Products delivered under this Order will:
 - (i) Be free from defects in materials, workmanship, and manufacturing processes; and
 - (ii) Conform to all requirements of this Order.
- 20.2. The warranty period shall begin upon Buyer's acceptance of the Product and end 12 months after final acceptance of the by Buyer's customer of the end product incorporating the Product provided by Seller under this Order. In computing the warranty period, there shall be excluded any time that the Product delivered under this Order is prevented from entering service or is taking out of service on account of any Product deficiency.
- 20.3. For all deficiencies that arise during the warranty period, Seller shall promptly remedy the deficiency at no cost to Buyer. If Seller fails to remedy the deficiency within a reasonable time after having been notified of the deficiency, Buyer may, at its option remedy the deficiency by contract or otherwise and charge to Seller any increased costs by Buyer or Buyer's customer or make an equitable reduction in the price of this Order. If Buyer elects to correct the deficiencies in the Product, then the parties agree that Seller with pay Buyer's actual costs and Buyer's labor fully-burdened hourly rates (as appropriate) using the then-current rate set for change order activity.
- 20.4. Buyer's approval of any documentation prepared by Seller or Buyer's participations in design reviews, first article approval process, or similar reviews shall not relieve Seller of any obligation under this warranty.
- 20.5. Buyer's rights under this provision shall, at Buyer's option, be assignable to and enforceable by Buyer's successors and customers.
- 20.6. Seller shall immediately notify Buyer of any deficiencies during the performance of this Order and the warranty period. Seller shall promptly provide a written notice to Buyer's authorized purchasing representative describing the deficiency and Seller's plan to remedy the deficiency.

21. Prohibited Hazardous Materials:

- 21.1. Except as agreed to in writing by Buyer, or as specified in this Order (e.g., an industry specification or assembly drawing that specifies chromium steel), the hazardous material constituents in Prohibited Hazardous Materials Table shall not be included in or come in direct contact with any products furnished under this order. The products furnished under this Order include all ingredients in such products (e.g., newly formulated coatings) and all materials of construction in such product, including sub-component materials (e.g., batteries, circuit boards), applied coatings, applied primers, lubricants, adhesives, and any other consumables that remain on the delivered product. A hazardous material constituent that is an impurity, i.e., a trace amount that is not an ingredient and does not contribute to the function or usefulness of the product, is excluded from these requirements.

Prohibited Hazardous Materials Table		
Asbestos	Lead & Lead Compounds	Beryllium and Beryllium Compounds
Barium & Barium Compounds, including Barium Sulfate	Mercury & Mercury Compounds	Methylene Chloride
Brass and Bronze w/ >1% Lead	Ozone Depleting Substances (ODS) Class 1	Arsenic & Arsenic Compounds in Coatings
Boron Trifluoride	Polychlorinated Biphenyls (PCBs)	Benzene in Coatings
Cadmium & Cadmium Compounds	Selenium & Selenium Compounds	Organometallic Compounds in Coatings
Chromium & Chromium Compounds	Silver & Silver Compounds	

Seller may use "readily available information" to determine whether the product furnished under this order includes or has come in direct contact with the hazardous material constituents identified in Prohibited Hazardous Materials Table. "Readily available information" sources include:

- (i) Actual knowledge or process knowledge
- (ii) Safety data sheets
- (iii) Technical data sheets
- (iv) Manufacturing data.

Except as specified in this Order, chemical analysis, testing, monitoring or certification is not required to determine whether the product includes or has come in direct contact with the hazardous material constituents identified in the Prohibited Hazardous Materials Table. At Buyer's request, Seller's "readily available information" shall be made available to the Buyer's technical authority.

22. Limited Shelf Products

22.1. The following data will be provided by Seller with each shipment. Failure to comply will be cause for rejection. Buyer shall verify upon receipt inspection of the product that limited shelf-life information is provided with the product. This includes one set:

- (i) Manufacture's code
- (ii) Cure Date (Elastomers), lot or batch date or date of manufacture
- (iii) Lot of batch number, when appropriate, e.g., paints, adhesives, etc.
- (iv) Special storage conditions, e.g., refrigeration
- (v) Shelf-life limitation. Recommended shelf life in months, years, or expiration date by "Quarter Year."
- (vi) The date of manufacture (cure date), batch number lot number, and shelf-life expiration date of the material shall be marked on each individual container.

22.2. Limited Shelf Products delivered under this order shall be delivered within six months from cure date.

23. Changes

23.1. Buyer, may at any time by written order make changes within the general scope of this Order including but not limited to the following items:

- (i) Drawings, designs, specifications, planning, and/or other technical documents;
- (ii) Adjustments in quantities or delivery schedules or both;
- (iii) Method of shipment, packaging, or packing;
- (iv) Period of performance
- (v) Place of delivery;
- (vi) Place of inspection;
- (vii) Place of acceptance;

And, if services are procured with the products:

- (viii) Description of services to be performed;
- (ix) Time of performance of the services; and
- (x) Place of performance of the services

23.2. If the change causes an increase or decrease in cost or time required to perform this Order, the Parties shall negotiate an equitable adjustment in the price of schedule, or both, to reflect the increase or decrease. Buyer shall modify this Order in writing accordingly.

23.3. Any claim for adjustment shall be unconditionally waived unless asserting in writing and delivered to Buyer within 30 days of receipt of the written Order; if Seller claims the cost of any property made obsolete or excess, Buyer shall have the right to prescribe the manner of disposition of the property to include the right to acquire that property for the cost claimed.

23.4. Buyer has the right to examine any of Seller's pertinent books and records to the purpose of verifying Seller's claim.

23.5. Seller shall immediately proceed with the performance of this Order as changed. Failure to agree to any adjustment shall be a dispute within the meaning of the "Disputes" provision. Seller shall not be entitled to any claim for changes unless authorized in writing by Buyer.

24. Disputes:

24.1. Any dispute arising under or related to this Order shall be submitted in writing for resolution to equivalent ascending levels of management of the respective Parties up to the Senior Executive of the Supply Chain Management organization placing the Order, and Seller's equivalent executive level.

24.2. If a dispute cannot be resolve to both Parties' mutual satisfaction, after good faith negotiations, within 90 days from the date written dispute is received by the other part in accordance with the notice provisions set forth herein, or such additional time as the Parties agree upon, in writing, either party may only bring suit in the appropriate federal or state court in the state listed as Buyer's address in the Order; said forum selection to be made without regard to said state's conflict of laws principles.

24.3. Pending any informal resolution, lawsuit, appeal, or final decision referred to in this provision, or the settlement of any dispute, Seller shall proceed diligently, as directed by Buyer, with performance of this Order.

25. Non-Waiver

25.1. Any failure at any time of a party to enforce any provision of the Agreement shall not constitute a waiver of such provision or prejudice the right of the party to enforce such provision at any subsequent time, including any technical requirements, specifications or drawings or a waiver of a default provision.

26. Force Majeure:

26.1. Neither party shall be liable to the other for delays resulting from causes beyond its control and without its fault or negligence, including but not restricted to acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, inability of the Government to pay prime contractor timely, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or

unusually severe weather. Seller shall not be liable for delays of subcontractors or suppliers of Seller only when arising from causes beyond the control and without the fault or negligence of both Seller and such subcontractors or suppliers and only when Seller could not have obtained the supplies or services from other sources in sufficient time to permit Seller to meet the required delivery schedule. Upon the happening of any circumstances or causes aforesaid, the affected party shall notify the other party as soon as possible in writing. Any relief shall be limited to an extension of delivery dates or times of performance to the extent caused thereby.

27. Indemnification:

27.1. Seller shall indemnify and hold harmless Buyer, Buyer's affiliates, and their respective directors, officers, and employees (collectively, for the purposes of this provision, "Buyer"), from and against any and all liabilities, claims, losses, and expenses, arising from the acts and omissions of Seller, its employees, subcontractors, or agents, in their performance of this Order, except where Buyer is solely negligent. Seller shall, at its own cost, defend Buyer against such claims, losses, and liabilities, and it shall pay Buyer's reasonable attorneys' fees, and expenses, related to carrying out and enforcing the terms of this provision, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses.

28. Proprietary Information

28.1. Proprietary Information for purposes of this Order, means all knowledge no matter how communicated or stored Buyer furnishes to Seller, including, but not limited to, any item identified in writing at the time of disclosure as proprietary and marked with an appropriate legend, marking, or stamp identifying the data as Buyer's Proprietary Information, and includes any information marked with a restrictive legend as prescribed in DFARS 252.227-7013 or 252.227-7014 or in FAR 52.227-14.

28.2. Seller will treat all Proprietary Information transferred in connection with this Order, all copies of Proprietary Information, and all improvements, modifications, and derivations of Proprietary Information, as Buyer's property regardless of the medium on which such Proprietary Information is stored or communicated. In making copies of Proprietary Information, Seller will preserve any legend, marking, or stamp contained on the Proprietary Information that identifies the data as Buyer's Proprietary Information. Unless otherwise provided in this Order, Seller further agrees to affix the following legend "American Metal Bearing Proprietary" on:

- (i) all improvements, modifications, and derivations of Proprietary Information; and
- (ii) any Proprietary Information extracted from Buyer's computer systems or otherwise provided by Buyer to Seller if not already marked.

28.3. Seller may disclose Proprietary Information to its subcontractors as required for the performance of this Order, provided each such subcontractor first assumes by written agreement the same obligations imposed on Seller under this Order relating to Buyer's Proprietary Information.

28.4. If a separate proprietary information or non-disclosure agreement relating to the subject matter of this Order exists between the Parties, all data, knowledge, and information furnished by one Party to the other Party shall be protected pursuant to such proprietary information or non-disclosure agreement.

28.5. If no separate proprietary information or non-disclosure agreement exists between the Parties, Seller will keep Buyer's Proprietary Information confidential and, except as provided herein, (i) not disclose such Proprietary Information to any other person except to its officers, agents and employees who are under an obligation to keep such Proprietary Information confidential and have a need to know such Proprietary Information to fulfill Seller's obligation under this Order, and (ii) treat such Proprietary Information with the same degree of care as Seller uses in handling its own proprietary or confidential information and - in all events - with not less than reasonable care. Seller will use Buyer's Proprietary Information only for purposes necessary for performing this Order and will return Proprietary Information to Buyer upon completion of the work to be performed under this Order unless Buyer expressly agrees to the contrary in writing.

28.6. Unless otherwise provided in DFARS 252.227-7013 or 252.227-7014 or 252.227-7015 or 252.227-7016, or in FAR 52.227-14 or if no separate proprietary information or non-disclosure agreement exists between the Parties, no information furnished to Buyer (whether documentary, oral, visual or otherwise) shall be considered confidential or proprietary or require any particular handling or precaution or have any restriction on Buyer's right to use, modify, reproduce, perform, display, release, or disclose such information in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

28.7. Upon discovery by Seller of any inadvertent or accidental disclosure of Buyer's Proprietary Information, Seller shall notify Buyer promptly and take all commercially reasonable steps to retrieve such disclosed Proprietary Information and to cease and prevent any further disclosure of the Proprietary Information.

29. Patent, Trademark, Trade Secret, and Copyright Indemnity.

29.1. In addition to any other warranty by Seller to Buyer against intellectual property infringement, statutory or otherwise, express or implied, Seller will indemnify and hold harmless Buyer, Buyer's affiliates and their respective officers, directors, employees, and customers ("Indemnified Parties") from and against any and all liabilities, claims, losses and expenses arising out of any allegation of patent, copyright, or trademark infringement or allegation of trade secret misappropriation (collectively or individually, "Claim") resulting from Indemnified Parties' use, manufacture, or sale (including any re-sale) of any product or service Seller provides to Buyer that Seller authorizes expressly or impliedly under this Order.

Seller shall, at its own cost, defend Buyer against such Claims, and it shall pay Buyer's reasonable attorney fees and expenses, related to carrying out and enforcing the terms of this provision, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses.

29.2. Notwithstanding the foregoing, when this Order is performed under the authorization and consent of the U.S. Government to infringe United States Patents, Seller's liability for Seller's patent infringement under this Order shall be coextensive with Buyer's liability.

30. Information Security

30.1. Seller shall implement administrative, physical and technical safeguards to adequately protect Buyer-provided information ("Buyer Information") in accordance with any law, regulation or contractual obligations applicable to such information. For Buyer Information stored in an electronic database or transmitted electronically, Seller shall comply with any Buyer-specified safeguards set forth in this Order, or if no such safeguards are specified herein, Seller's safeguards shall be no less rigorous than the Center for Internet Security's CIS Controls™, found at <https://www.cisecurity.org/controls/>.

30.2. If Seller becomes aware of any compromise of Buyer Information (an "Incident"), Seller shall take appropriate immediate actions to investigate and contain the Incident and any associated risks, including notification to Buyer within seventy-two (72) hours after learning of the Incident. As used in this clause, "compromise" means that information has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to perform this Order.

30.3. Upon request, Seller shall provide reasonable assurances to Buyer of compliance with the requirements of this provision, and reasonable cooperation in connection with an investigation regarding the nature and scope of any Incident. Any costs incurred by Buyer or Seller in investigating or remedying Incidents shall be borne by Seller.

30.4. All Buyer Information shall be encrypted (i) if transmitted externally by Seller via any electronic network, or (ii) during electronic storage if potentially accessible by any electronic network external to Seller or otherwise by non-authorized users.

30.5. This provision is intended to set forth minimum information security requirements and does not alter, change or supersede any more stringent information security requirements found in other contractual obligations agreed to between the parties.

31. Export and Import Compliance:

31.1. Seller is advised that its performance of this Order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 - 2796 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations) or 50 United States Code 2401 - 2420 (Export Administration Act) and 15 Code of Federal Regulations 768 - 799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export Laws and Regulations"). Seller represents and warrants that it is either:

- (i) A U.S. Person as that term is defined in the Export Laws and Regulations; or
- (ii) That it has disclosed to Buyer's Representative in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and U.S. immigration status.

31.2. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder.

31.3. Seller shall not give any Foreign Person (including Seller's own non-U.S. employees or affiliates) access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Buyer. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller's request under this paragraph C shall relieve Seller of its obligations to comply with paragraph 17.2 of this provision or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph 17.2, nor constitute consent for Seller to violate any requirement of the Export Laws and Regulations.

31.4. The substance of this provision shall be incorporated into any lower-tier subcontract entered into by Seller for the performance of any part of the work under this Order.

32. Continuing Terms and Severability:

32.1. The "Proprietary Information," "Suspect/Counterfeit Parts," "Insurance," "Indemnification - Government Requirements," "Indemnification - Third Party Claims," "Patent, Trademark, Trade Secret, And Copyright Indemnity," "Release of Information and Advertising," and "Warranty" provisions and the indemnification provisions contained in the "Disputes," and "Export And Import Compliance," provisions shall survive termination or cancellation of this Order. If any provision in this Order is or becomes void or unenforceable by force or operation of law, all other provisions shall remain valid and enforceable.

33. Equal Employment Opportunities:

33.1. Buyer, Seller and Seller's subcontractors shall abide by the requirements of the following laws, which are incorporated herein by reference: the EEO Clause of Executive Order 11246, at 41 CFR § 60-1.4(a) (including the pay transparency nondiscrimination clause), the EEO Clause for protected veterans at 41 CFR § 60-300.5(a), the EEO Clause for individuals with disabilities at 41 CFR §60-741.5(a), and the Notice Clause of Executive Order 13496 regarding Employee Rights under the National Labor Relations Act (NLRA). Among other things, 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, or national origin. 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, protected veteran status or disability. For additional obligations that may apply to purchases of \$50,000 or more, including the annual affirmative action plan (AAP) requirement, the annual EEO-1 Report, and the annual VETS-4212 Report, please see 41 CFR §§ 60-1.7, 60-1.12, 60-2.1, 60-300.10, and 29 CFR §2602.7. Also, note that you may be covered by the minimum wage obligations of Executive Order 13658 and/or Executive Order 13706, establishing Paid Sick Leave for federal contractors. As required by federal regulation, the parties reiterate that:

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5 (a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

34. Taxes:

34.1. Seller shall not collect any sales or use taxes inasmuch as Products on this order are for re-sale; re-sale #SR-EA-11-293451.

35. Invoices:

35.1. All invoices shall be emailed to AMB Accounts Payable at ap@ambco.net with the invoice attached in PDF form. Each PDF attachment shall contain no more than one invoice.

35.2. Payments shall be made within the agreed upon terms after Buyer's receipt of:

- (i) Products delivered at Buyer's facility, or such other facility as designated by Buyer; or,
- (ii) Services Performed

35.3. If a deficiency in the Product is found after:

- (i) Products delivered at Buyer's facility, or such other facility as designated by Buyer; or,
- (ii) Services Performed

Then credit terms are applicable after the deficiency has been rectified.

35.4. All invoices shall include:

- (i) Name and address of the Seller;
- (ii) Invoice date;
- (iii) Purchase Order number and, if applicable, Purchase Order line item number;
- (iv) Description, quantity, unit of measure, unit price, and extended price of the Product delivered, or detailed description of the Services performed during the billed period;
- (v) Shipping number and date of shipment;
- (vi) Terms of any prompt payment discount offered;
- (vii) Name and address of official to whom payment is to be sent; and
- (viii) Name, title, and phone number of person to be notified in event of defective Invoice.