

TERMS AND CONDITIONS

Acknowledgement of Purchase Order:

This purchase order is JCM's offer to Seller and when accepted either by acknowledgement or performance, it shall become a binding contract. These terms constitute the entire agreement between JCM and Seller and supersede any prior agreements or understandings between them.

Packing and Shipping:

Deliveries shall be made as specified without charge for boxing, crating, carting, storage or any other form of packing. Seller shall comply with any specific instructions set forth on the reverse of this purchase order. Material shall be suitably packed to secure the lowest transportation costs pursuant to the requirements of common carriers and shall be packed to protect against damage from weather or transportation. JCM order numbers must be plainly marked on all invoices, packages, bills of lading and shipping orders. Each box or package shall be accompanied by a packing list showing JCM's order number, the item number and a description of materials. JCM's count or weight shall be final and conclusive on shipments not accompanied by a packing list containing the foregoing information. Shipping receipts or bills of lading shall be sent to JCM's Accounting Department on the date which the material is shipped. Products shall also be protected from contamination, corrosion, moisture, electrostatic discharge (where applicable), and Foreign Object Debris (FOD).

Overshipment:

JCM may return, at Seller's expense, any shipments which either exceed the amount or precede the delivery schedule stated on the face of this purchase order. JCM may retain such shipments at Seller's risk and expense and charge reasonable storage fees while awaiting shipping instructions. JCM may sell or destroy material for which return shipping instructions are not received within a reasonable time and apply any proceeds toward storage charges.

Invoices:

Seller shall submit invoices in duplicate and include the purchase order number, description of products, sizes, quantities, unit prices and extended totals in addition to any other required information. Each invoice shall be accompanied by a bill of lading or express receipt. Payment shall not constitute JCM's acceptance of items and shall be subject to adjustment for errors, shortages, defects or any other failure of Seller to meet its obligations. JCM may offset amounts it owes to Seller by amounts Seller owes to JCM.

Quality Control System; Warranty:

Seller will maintain an acceptable quality control system and JCM may review procedures, policies, practices and related documents to determine such acceptability. Seller warrants that all material and work covered by this purchase order will conform to applicable specifications, drawings, samples and/or other descriptions given and will be merchantable and free from defects in workmanship and material. Seller also warrants design unless the items covered by this purchase order are manufactured to a detailed design furnished by JCM. Seller's warranties shall run to JCM and/or its customers. Measuring and test equipment used for product acceptance shall be calibrated and traceable to NIST or internationally recognized standards where applicable.

Counterfeit Parts Prevention:

Seller shall establish and maintain a Counterfeit Parts Prevention Program in accordance with AS6174 or equivalent industry best practices. Seller shall procure material only from approved or authorized sources, maintain traceability to the original manufacturer where applicable, and immediately notify JCM of any suspect or confirmed counterfeit parts or materials.

Certification/Approval of Seller:

Seller warrants that it is approved and/or certified by JCM's customer to perform under this Purchase Order. Seller understands that JCM is relying on such warranty and that JCM will incur substantial damages if Seller does not maintain such approval or certification at all times. Seller shall immediately notify JCM if it loses such approval or certification and shall compensate JCM for any damages resulting from such loss.

OTD and Product Conformity:

JCM monitor all suppliers' performance on an ongoing basis JCM tracks On-Time Delivery (OTD) and Product Conformity (PC) from all suppliers. JCM has established a minimum performance threshold of 95% product quality and 90% OTD. If minimum performance is not achieved by the supplier, supplier may be contacted by JCM Management and corrective action will be requested.

Ethical Behavior:

Supplier personnel shall understand their contribution to product conformity, product safety, and ethical behavior and shall report suspected violations or quality concerns per Code of Business Ethics and Conduct for the General Workforce (V.2. Feb. 2019).

Product Safety:

Supplier shall ensure product safety is maintained throughout manufacturing, inspection, handling, storage, packaging, and shipment. Product safety risks shall be identified, evaluated, controlled, and communicated to JCM when applicable.

Foreign Object Debris/Damage (FOD):

Supplier shall establish and maintain a Foreign Object Debris/Damage (FOD) Prevention Program appropriate to the products or services being supplied. Controls shall be implemented to prevent FOD during manufacturing, inspection, assembly, handling, storage, packaging, and shipment. Products delivered to JCM shall be clean and free of foreign object debris. Suspected or confirmed FOD affecting product conformity shall be immediately reported to JCM.

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Preservation of Product:

Seller shall preserve product conformity during internal processing and delivery through appropriate handling, storage, packaging, preservation, and protection methods to prevent damage, deterioration, contamination, or degradation.

Human Factors:

Supplier shall consider human factors that may affect product quality, including communication, fatigue, workload, distraction, competency, and work environment.

Inspection:

All items shall be subject to inspection at destination and JCM may either reject or direct the prompt correction of any defective items which fail to meet the requirements of this purchase order. JCM may, at Seller's expense, return such items to Seller or require that Seller remove them. If Seller fails to promptly remove, replace or correct defective items, then JCM may replace or correct such items at Seller's expense.

Delivery:

All items shall be delivered in strict accordance with the delivery schedule of this purchase order. Seller shall incur the incremental costs for express delivery if Seller fails to meet such schedule and JCM requests expedited shipments. Parts fabricated beyond JCM's requested delivery dates are at Seller's risk and invoices covering material shipped in advance will not be paid. Seller shall comply with the Defense Priorities and Allocations System (or "DPAS") (15 CFR 700) where applicable.

Risk of Loss:

Seller shall bear all risk of loss, damage or destruction until the items are delivered to the specified F.O.B. point. Seller shall also bear the same risks for any items rejected by JCM, except for loss occasioned by the willful misconduct of JCM's employees acting within the scope of their employment. Within 48 hours of receipt, Seller shall notify JCM of quantity or quality discrepancies with any JCM-supplied items or be deemed to concur with JCM's description of such items and thereafter bear any risk of loss.

Changes:

JCM may, at any time by written order, suspend performance hereunder, increase or decrease the ordered quantities or make changes in any one or more of the following: (i) applicable drawings, designs or specifications; (ii) method of shipment or packing and (iii) time or place of delivery. If any such change causes an increase or decrease in either the cost of or the time required for performance, then an equitable adjustment shall be made to the price, delivery schedule or both and this purchase order shall be modified in writing accordingly. Any claim for adjustment must be in writing, accompanied by an estimate of costs and submitted to JCM within twenty (20) days from Seller's receipt of the change notification. Failure of Seller to assert a claim as provided above shall constitute an unconditional and absolute waiver for adjustment. JCM reserves the right to verify all claims and Seller shall make available to JCM, upon its request, all relevant books, records, inventories and facilities for inspection and audit.

Termination for Cause:

JCM may cancel all or any part of the undelivered portion of this purchase order for cause if Seller breaches any of its obligations to JCM, including but not limited to quality of items and timely delivery. Upon termination, Seller shall not be entitled to payment for (i) undelivered items, if any, and/or (ii) the delivered items which caused such termination.

Termination for Convenience:

JCM may cancel all or any part of the undelivered portion of this purchase order for convenience by giving Seller written notice specifying the scope and effective date of such termination. Upon receipt of the notice and except as otherwise directed by JCM, Seller shall immediately stop work and, within thirty (30) days after receipt of the notice, submit its written termination claim to JCM. Failure of Seller to comply with the foregoing shall constitute an unconditional and absolute waiver of Seller's termination claim, which in any event shall consist solely of the following: (a) Completed products: for completed products delivered to and accepted but not yet paid for by JCM, Seller's claim shall be calculated by multiplying the number of such products by the unit price therefor as specified in this purchase order; and (b) Work in Process: for work in process, Seller's claim shall be calculated by multiplying the average unit cost by the number of units in process; provided, however, that (i) such number of units in process shall not exceed that amount which JCM has previously approved for delivery; and (ii) such claim shall exclude any costs for completed products as set forth above. The total sum to be paid to Seller under sections (a) and (b) above shall not exceed the total purchase order price, reduced by the amount of payments otherwise previously made by JCM. In no event shall Seller be entitled to recover incidental or consequential damages, costs of preparing claims, attorney's fees, costs of tooling and equipment or any third-party commissions.

Non-Disclosure of Confidential Matter and Publicity:

Items purchased pursuant to JCM's specifications or drawings shall not be quoted for sale to others without JCM's prior written authorization. Such specifications, drawings, samples or other data furnished by JCM shall be treated as confidential information by Seller, shall remain JCM's property and shall be promptly returned to JCM upon request. Any publicity regarding this purchase order (pictures, descriptions or samples thereof) is prohibited except with JCM's prior written approval.

Compliance with Laws:

Seller shall comply with all applicable federal, state, local, customer, statutory, and regulatory requirements applicable to the products or services provided under this Purchase Order.

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Inspection and Audit:

Seller agrees that its facilities, quality management system, manufacturing processes, documented information, records, and personnel involved in the performance of this Purchase Order shall be subject to inspection, verification, and audit by JCM, JCM's regulatory authorities, customer representatives, or government representatives, as applicable.

Changes in Process or Method of Manufacturing:

Seller agrees that it will not invoke any changes in its process or method of manufacturing during the term of this purchase order without JCM's prior written consent, and any contemplated changes will be submitted to JCM for reasonable evaluation. Seller shall notify JCM prior to changes involving manufacturing process, manufacturing location, ownership, quality management system certification, external providers, special process providers, manufacturing equipment affecting product conformity.

Export Control (ITAR/EAR):

Seller shall comply with all applicable U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR), when applicable. Seller shall protect all export-controlled technical data and shall not disclose, export, or transfer such information to any unauthorized person or entity without prior written authorization and any required U.S. Government approvals. Seller shall immediately notify JCM of any actual or suspected export control violations related to this Purchase Order.

Cybersecurity (Applicable to Defense Contracts):

When this Purchase Order involves Controlled Unclassified Information (CUI), Federal Contract Information (FCI), or other controlled information, Seller shall comply with all applicable cybersecurity requirements identified by contract, including NIST SP 800-171, DFARS 252.204-7012, DFARS 252.204-7020, DFARS 252.204-7021, and applicable Cybersecurity Maturity Model Certification (CMMC) requirements. Seller shall immediately notify JCM of any cyber incident or compromise affecting information associated with this Purchase Order, in accordance with contractual and regulatory reporting requirements.

Conflict Minerals (When Required by Contract):

When required by contract, Seller shall comply with applicable Conflict Minerals reporting requirements, including Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Seller shall exercise due diligence regarding the source and chain of custody of tin, tantalum, tungsten, and gold (3TG) contained in products supplied to JCM and shall provide supporting documentation upon request.

Notification of Escapes:

Seller shall immediately notify JCM upon discovery that nonconforming product may have been shipped or delivered to JCM or JCM's customer. Notification shall include the affected part number, lot or serial number (when applicable), quantity affected, description of the nonconformance, containment actions taken, and proposed corrective actions. Seller shall cooperate fully with JCM in containment, investigation, corrective action, and disposition activities.

Record Retention:

Supplier shall retain quality records for a minimum of ten (10) years unless otherwise specified by contract or Purchase Order.

AS9102 First Article Inspection:

When specified by the Purchase Order, drawing, specification, or contract, Seller shall perform and document First Article Inspection (FAI) in accordance with the current revision of AS9102. A complete First Article Inspection Report (FAIR) shall be submitted to JCM with the first production shipment or whenever partial or full re-accomplishment of FAI is required by AS9102.

GIDEP Compliance:

Suppliers shall participate in the Government-Industry Data Exchange Program (GIDEP), when applicable, or otherwise monitor applicable GIDEP alerts, advisories, and notifications provided by JCM or its customers. Suppliers shall evaluate all applicable GIDEP notifications for potential impact to products or services supplied to JCM, including previously delivered product. Suppliers shall immediately notify JCM Engineering Corporation in writing if any GIDEP alert, advisory, or notification identifies actual or potential issues affecting product conformity, counterfeit or suspect counterfeit parts, nonconforming materials, reliability, or product safety.

Special Tools:

Unless otherwise agreed, Seller shall furnish, at its expense, any necessary special castings, tools and drawings which shall be kept in good condition and, when necessary, replaced by Seller without expense to JCM. Upon agreement between the parties, JCM may reimburse Seller for the cost of such items (including any replacements) and thereafter own them and be entitled to their possession. If the price stated on the face of this purchase order identifies such items and includes their cost, then they shall become the property of JCM.

JCM-Owned or Furnished Materials:

Seller assumes complete liability for any JCM-owned or JCM-furnished tooling, articles or materials in connection with this purchase order and Seller agrees to pay for their loss or damage. Title to such items shall at all times remain with JCM. JCM attachment QF-7513-001 Applies to all JCM/Government furnished materials or tooling.

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Force Majeure:

Seller shall immediately notify JCM of an actual or potential delay or failure of performance because of acts of God or other causes beyond Seller's control, including but not limited to labor disputes. JCM may then either (i) extend the time for performance or (ii) terminate the uncompleted portion of the purchase order for cause and at no cost to JCM.

Subcontracting:

Except for purchases of standard commercial supplies or raw material, Seller agrees to obtain JCM's approval before subcontracting this purchase order or any substantial portion thereof.

Waiver:

The failure of JCM to enforce any provision of this purchase order shall neither waive such provision nor affect JCM's right to enforce it.

Modifications:

None of the terms of this purchase order may be contradicted, modified, supplemented, explained, waived or rescinded except as expressly set forth herein. Only an authorized JCM purchasing representative may sign on behalf of and obligate JCM.

Choice of Law; Choice of Forum:

The laws of California (excluding its conflict of laws rules) will govern the construction, validity and interpretation of this purchase order. All disputes shall be litigated in the Superior Court for the State of California, County of San Bernardino, City of Rancho Cucamonga, or any other state court of competent jurisdiction located in San Bernardino County and each party hereto consents to the jurisdiction of such courts and waives any objection to venue.