

PURCHASE ORDER TERMS AND CONDITIONS

1. **DEFINITIONS.** As used herein Buyer means Bally Ribbon Mills. Seller means the party identified on the face of this order and Supplies means all articles, materials, work or services to be furnished by Seller under this order.
2. **ACCEPTANCE AND DELIVERY.** Time of delivery is of the essence of this contract. Buyer reserves the right to refuse any goods and to cancel all or any of the goods not conforming to applicable specifications, drawings, samples, or descriptions. Acceptance of any part of the order shall not bind Buyer to accept future shipments, nor deprive it of the right to return goods already accepted. Seller shall notify Buyer as soon as possible in the event scheduled delivery is not or may not be met. If delivery is not made within the time specified, Buyer may purchase elsewhere and Buyer may cancel the entire order or any undelivered portion thereof.
3. **BUYER FURNISHED MATERIAL.** Title to and the right to immediate possession of all Buyer furnished material (BFM) such as tooling, raw or finished material, test equipment, and the like, provided by Buyer to Seller hereunder shall remain with Buyer. BFM shall be segregated and safely stored when not in use, shall be maintained in good condition save for normal wear and tear, shall be used solely in the performance of work under this order, shall not be commingled with the property of Seller or others except for such material as is incorporated into or attached to Supplies or consumed in the performance of this order, and shall be held, or promptly disposed of at any time, as Buyer may direct at no additional cost to Buyer. Seller shall maintain inventory control of BFM and furnish inventories and reports as required by Buyer.
4. **APPROVALS.** The buyer reserves the right to approve (where appropriate) product, procedures, processes and equipment used in the production of purchased product. "Where appropriate" describes situations where the buyer's customer contract(s) define stringent requirements for control of such product, procedures, processes and equipment.
5. **TRAINING.** The seller shall ensure competence of their personnel. Job descriptions shall identify the qualifications required for each position that affects product quality. Qualifications shall include requirements for education, skills and experience, along with required training.
6. **SELLER QUALITY MANAGEMENT SYSTEM.** The seller shall have a documented Quality Management System (QMS), sufficient to ensure that product purchased by the buyer meets all requirements. When required by the buyer's customer contract(s), certification to a QMS may be required. When applicable, the buyer shall state the certification requirement on the purchase order. In situations where a QMS certification is required and is stated on the purchase order, it is the responsibility of the seller to advise the buyer when the seller has not been certified to a QMS.
7. **NONCONFORMING MATERIAL.** Known defective raw materials, subassemblies, equipment or any product affecting quality may not be shipped to the buyer without prior documented approval. The buyer does not authorize the seller to make "use-as-is" or "repair" dispositions on any nonconforming raw material, sub-assembly, or machinery used in buyer's production processes, or for any process affecting quality of buyer's product unless documented approval is obtained by the seller. If a non-conformance is detected by the seller for any shipped product, the seller shall notify the buyer within twenty-four (24) hours.
8. **COUNTERFEIT PARTS PREVENTION.** Seller shall immediately quarantine counterfeit or suspect counterfeit parts to prevent parts/materials from getting back into component/materials supply chain until authenticity validation can be conducted. In the event that the Seller delivers items under this contract that are determined to be counterfeit, Seller shall notify buyer within twenty-four (24) hours.
9. **FLOW-DOWN TO SUPPLY CHAIN.** As necessary, the seller is required to flow down its supply chain any requirement specifically stated on the purchase order.
10. **CHANGES.** Seller shall make no changes in materials, components, products or process incorporated in the manufacture of product purchased under this purchase order unless Buyer shall be notified in writing of such change and consents thereto. Buyer shall have the right at any time to make changes in drawings, specifications or instructions for work, in methods of shipment and packaging, in schedules and the place of delivery as to any

material and/or work covered by this order, and Seller agrees to comply with such change notices. Subject change notices will be in writing and signed by a duly authorized representative of the Buyer if such changes result in a decrease or increase in the Seller's cost or in time of performance, an adjustment in the price and time for connection with this order after the date of receipt of the change notice unless Seller presents to the Buyer an itemized statement of claim against the Buyer within twenty (20) days after receipt of notice of such change, the Seller shall be conclusively deemed to have waived all claims against the Buyer with respect thereto.

11. MATERIALS OBSOLESCENCE MANAGEMENT. Seller shall monitor the life cycle status and availability of parts and/or materials through the duration of the contract. Parts/Material determined to be unavailable or identified as "unavailable for new designs" Shall be reported to the buyer within ten business days of obtaining this designation.
12. CHEMICAL SUBSTANCES. Seller warrants that all chemical substances constituting product(s) sold to BRM under this purchase order are included on the list of chemical substances compiled and published by the Administration of the Environmental Protection Agency pursuant to the Toxic Substance Control Act inventory reporting regulations.
13. CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT. Seller is on notice that Buyer may utilize the goods specified in this order in the manufacture of products destined for sale to the U.S. Government. Seller is therefore deemed to have assumed the obligation of compliance with Executive Order 11738, dated September 10, 1973, and the requirements of the contract clause set forth in the Federal Acquisition Regulations 23.1, said clause being herewith incorporated into this order by reference.
14. COMPLIANCE WITH LAWS. In the performance of this order, Seller will comply with all federal, state and local laws, ordinances, rules, orders, or regulations which may be applicable to this order or, to Seller, all of which are incorporated herein by reference and made a part hereof. Seller agrees to furnish Buyer with such certificates of compliance and in such form as Buyer may from time to time require. Seller agrees to incorporate the foregoing provisions in all subcontracts under this order. Seller will promptly prepare and submit to the proper office, person, agency, bureau, or department all confidential or other reports which may properly be required of Seller by any law, ordinance, rule, regulation or order or by any authorized representative of the United States government. If Buyer serves as a contractor for the United States government, Seller shall comply with federal laws, rules and regulations applicable to this subcontract, including those related to equal employment opportunity and affirmative action in employment of minorities (Executive Order 11246), women (Executive Order 11375), the handicapped (29 U.S.C. 793) and certain veterans (38 U.S.C. 2012), contracting with business concerns operating in areas of surplus labor (41 C.F.R. 1-1.805), contracting with woman owned business concerns (Executive Order 12138), concerns (Pub. L. 95-507), Fair Labor Standards Act of 1939, as amended, Anti-Kickback Enforcement Act of 1986 (41 U.S.C. Sections 51-58), California Transparency in Supply Chain Act (Senate Bill Number 657). Seller agrees to indemnify and hold harmless Buyer from and against any loss or any fines or penalties assessed against buyer resulting from a violation of any laws or regulations specified in this paragraph or any other federal state and local laws, ordinances, rules, orders or regulations which may be applicable to the Seller or this Order by Seller or subcontractor below Seller.
15. CONTRACTS INVOLVING PERFORMANCE OF LABOR ON BUYER'S PREMISES. Where Seller is required to enter premises occupied by or under Buyer's control to perform services or otherwise, Seller will inspect the premises involved, will provide all necessary safeguards for persons it brings onto the premises, will defend, protect, indemnify and hold Buyer and its successors, assigns and employees harmless of, from and against all claims, losses, expenses, damages and liabilities, direct, incidental or consequential, arising from damage to or loss of property by Seller, its employees or others, or from personal injuries or death to Seller, its employees or others, resulting from or incidental to the presence of such persons on the premises involved, whether the same results in whole or in part from Buyer's negligence or other fault, by act or omission, or that of Buyer's employees, or otherwise, it being the intent of this provision to absolve and protect Buyer and its successors, assigns and employees from any and all loss by reason of the premises; and Seller agrees that it will maintain public liability and property damage insurance in reasonable amounts specified by Buyer and naming Buyer as an insured party, if so requested, covering the obligations set forth above and will at Buyer's request furnish to Buyer certificates indicating such coverage and will maintain workmen's compensation insurance covering all employees performing services related to this order on premises occupied by or under Buyer's control.

16. **EMPLOYMENT STANDARDS.** Seller and Seller's subcontractors shall comply with all applicable federal, state, and local laws, rules and regulations governing labor or employee relations including Sections 6,7,12 and 14 of the Fair Labor Standards Act as amended.
17. **ENTIRE AGREEMENT.** This contract contains the entire agreement of the parties. It may not be modified or terminated orally, and no claimed modification, termination or waiver shall be binding on Buyer unless in writing signed by a duly authorized representative of Buyer. No modification or waiver shall be deemed effected by Seller's acknowledgment or confirmation containing other or different terms.
18. **EQUAL EMPLOYMENT; AFFIRMATIVE ACTION; NONDISCRIMINATION.** The Seller agrees to be subject to all applicable contract clauses required by federal, state or local law, rule or regulation to be included in this contract, including but not limited to the following clauses, which are incorporated by reference herein: Equal Opportunity Clause (41 C.F.R. 60-1.4); Affirmative Action Clause for Disabled Veterans and Veterans of the Vietnam Era (41 C.F.R. 60-250.4); Affirmative Action Clause for Handicapped Workers (41 C.F.R. 60-741.4); the Certification of Non-segregated Facilities Clause (41 C.F.R. 60-1.8; 41 C.F.R. 1-12.803-10); and the Nondiscrimination Clause (16 Pa. Code 49.101). In addition, the Seller agrees and certifies, if applicable, that it has developed a written affirmative action compliance program (41 C.F.R. 60-1.40 (a)) and annually files Standard Form 100 (EEO-1) (41 C.F.R. 60-1.7 (a)).
19. **FEDERAL GOVERNMENT CONTRACTS.** Seller is on notice that Buyer may utilize the goods specified in this order in the manufacture of products destined for sale to the U.S. Government. Seller is therefore deemed to have assumed the obligation of compliance with Public Law 95-507, Small Business and Small Disadvantaged Business Subcontract, Executive Order 11246, Public Law 93-508 Vietnam Era Veterans Assistance Act, Public Law 930112 Rehabilitation Act of 1973, Public Law 90-202 amended 93-259 Age Discrimination Employment Act, and unless otherwise exempt under the Armed Services Procedure Regulations (ASPR 12-802), this order is subject to the requirements of the Equal Employment Opportunity clause as set forth in (FPR 1-12.803-2) and (ASPR 12-802 (a)), said clause being herewith incorporated into this order by reference. **GOVERNMENT PROVISIONS AND CLAUSES FOR ORDERS UNDER GOVERNMENT CONTRACTS** available via link at <https://www.ballyribbon.com>.
20. **INDEMNIFICATION.** Seller shall indemnify and hold Buyer harmless against all loss, liability, or costs (including legal fees) on account of claims of personal injury, death and property damages resulting from any act or omission of the Seller (including its agents, officers, employees and subcontracts in the course of performing this order including the Supplier delivered or services performed hereunder. Seller shall maintain such Public Liability, Property Damage, Employer's Liability and Compensation Insurance as will protect Seller and Buyer from such risks and from claims under applicable Workmen's compensation Laws.
21. **INSPECTION / RIGHT OF ENTRY.** Payment for goods delivered hereunder shall not constitute acceptance thereof. All articles and materials covered by this order shall be subject to inspection and/or test at any reasonable time or place, or in any quantity by Buyer, Buyer's customer, and/or any applicable regulatory agencies. If such inspection and/or tests, either preliminary or final, are made on Seller's premise or the premise of Seller's subcontractor, Seller will furnish without additional charge, all reasonable facilities and assistance required by the inspectors for sale and convenient inspection and test. Such inspections and/or tests shall not relieve Seller of the obligation to make full and adequate inspections and tests. In case any defects are found in materials or require their replacement or correction. Buyer may return all rejected articles and materials at Seller's invoice price plus all transportation charges. Seller will bear all costs of reworking, correcting or replacing any articles or materials furnished by Seller which are rejected and returned to Seller because of defect in materials or workmanship or for failure to meet specifications. If Seller fails to promptly rework, correct or replace such rejected articles or materials, then Buyer may by contact or otherwise, have said articles reworked, corrected or replaced and charge the excess cost to Seller. Seller is not relieved of this warranty obligation whether or not Buyer or Buyer's customer inspects any article or material covered by this order. It is Seller's obligation to inspect any material or articles supplies by Buyer to Seller for the purpose of this order and the supplying of such material or articles in no way relieves Seller of its obligation under this order.
22. **LAW GOVERNING.** The Laws of the Commonwealth of Pennsylvania shall govern any contract resulting from acceptance of this offer. Venue for any suit by Seller shall be in and only in the Pennsylvania State court or proper jurisdiction in Berks County, Pennsylvania, or the United States District Court for the Eastern District of Pennsylvania.

23. **NONASSIGNABILITY.** Neither this order nor any interest therein nor any payments payable hereunder shall be assignable by Seller without the written consent of Buyer.
24. **OFFER AND ACCEPTANCE.** This purchase order is an offer by Buyer to Seller and is not an acceptance of any prior offer made to Buyer by Seller. Acceptance of this offer is expressly limited to its terms. Do not ship the goods herein ordered unless you intend to be bound by the terms and conditions of this offer, as shipment by Seller of the goods ordered shall constitute acceptance of this offer to purchase. Upon acceptance by Seller, this purchase order shall be the final written expression of agreement between Seller and Buyer, constituting the entire contract between Buyer and Seller and superseding all previous communications, either verbal or written. Terms and conditions of Seller's business forms inconsistent with the terms and conditions of this offer shall not become part of any resulting contract.
25. **OSHA.** Seller warrants to Buyer by acceptance of this purchase order that the material supplied or products furnished hereunder by Seller comply with all of the requirements and standards of the Occupational Safety and Health Act of 1970 as may be amended (OSHA). Seller agrees to indemnify and hold Buyer harmless from all liabilities direct or indirect, claims, damages, and awards, by reason of materials or products furnished being in non-compliance with OSHA standards and requirements and from any other claims for damages in which buyer may be involved related to or by reason of the material or products furnished, and Seller further agrees to defend, at Seller's sole cost and expense, all suits against Buyer involving any such claim.
26. **PACKING AND SHIPMENT.** Deliveries shall be made as specified, without charge for boxing, crating, carting or storage unless otherwise specified, and articles shall be suitably packed to secure lowest transportation costs and in accordance with the requirements of common carriers. Materials shall be described on Bills of Lading in accordance with current National Motor Freight or Uniform Freight Classification, whichever is applicable. Buyer's order number and symbol must be plainly marked on all invoices, packages, bills of lading and shipping orders. Packing list shall accompany each box or package shipment showing Buyer's order number and symbol, item number and description of materials. Buyer's count or weight shall be final and conclusive on all shipments. If in order to comply with the Buyer's required delivery date, it becomes necessary for a Seller to ship by a more expensive way than specified in this purchase order, any increased transportation costs resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited handling has been caused by Buyer.
27. **DOCUMENTATION CONTROLS.** Seller agrees to maintain a controlled documentation process and to maintain records relating to purchased product for a minimum of fifty (50) years. These records shall be available to the Buyer upon request. Prior to removing the records from retention, regardless of time, Seller shall inform the Buyer.
28. **PATENT INFRINGEMENT.** Seller agrees to indemnify Buyer and hold it harmless from and against all liability, loss, damage and expense, including reasonable counsel fees, resulting from any actual or claimed trademark, patent or copyright infringement, or any litigation based thereon, with respect to any part of the goods covered by this order, and such obligation shall survive acceptance of the goods and payment thereof by the Buyer.
29. **PROPRIETARY INFORMATION – CONFIDENTIALITY – ADVERTISING.** Seller shall consider all information furnished by buyer, which was not previously publicly disclosed by the Buyer to be confidential and shall not copy nor disclose any such information nor use such information for any purpose other than performing this contract, unless Seller obtains written permission from Buyer to do so. This paragraph shall apply to drawings, specification, or other documents prepared by Seller for Buyer in connection with this order. Seller shall not advertise or publish the fact that Buyer has contracted to purchase goods from Seller, nor shall any information relating to the order be disclosed without the Buyer's written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Buyer shall be deemed secret or confidential and Seller shall have no rights against Buyer with respect thereto.
30. **REMEDIES; INDEMNITY; DAMAGES.** Seller agrees to defend, protect, indemnify and hold Buyer, its successors, assigns, customers, and all subsequent users of the material sold hereunder harmless of, from and against all claims, losses, expenses, damages and liabilities, direct, incidental or consequential, arising from damage to or loss of property and injury or death to persons, including loss of profits and reasonable counsel fees, which may arise out of the use or alleged use of such material, this to include, without limiting the generality of the foregoing, payments under any workmen's compensation law and under any plan for employees' disability and death benefits.

31. **SAMPLES.** If samples are required by this order, Seller shall not forward quantity shipments until Buyer has approved in writing Seller's samples processed or fabricated by means of the tooling and process methods to be used in such quantity production.
32. **TERMINATION.** Buyer reserves the right to cancel this order or any part thereof if Seller breaches any of the provisions of this order or if Seller becomes insolvent or the subject of any proceedings under the law relating to bankruptcy or the relief of debtors. If Seller is delinquent in deliveries or if it is reasonably determined by Buyer that Seller will be so delinquent and/or is delaying the correction of previously rejected items so that such delay affecting or reasonably threatens to affect Buyer's commitment to its customers, Buyer may, upon written notice require Seller to submit acceptable supplies within ten (10) days from date of such notice and failure to comply therewith shall constitute a material breach of the provisions of this order by the Seller.
33. **WARRANTY.** Seller warrants, agrees and guarantees that the articles and materials furnished hereunder are in full conformity with specifications, drawings and/or samples submitted by Buyer and/or submitted to Buyer by Seller and accepted by Buyer, and are free from all defects in materials and workmanship and are fit and sufficient for their intended use. Seller also agrees to indemnify and save harmless Buyer, its agents and customers and the users of any such articles from any and all liability, loss and damage which may be incurred or suffered by them or any of them by virtue of the failure of any such articles of the material to conform with said specifications, drawings and/or samples or by virtue of defective materials or workmanship in any of the said articles or materials and to pay any and all judgements rendered against them or any of them as a result thereof, and to pay all costs and expenses incurred by them or any of them in defending any action brought against them or any of them as a result of any claim that any said articles or materials do not conform to said specifications, drawings or samples or are defective in materials or workmanship, including but not limited to attorney's fees and expenses, expert witness fees and expenses and court costs, if requested by Buyer. Seller will at his own expense defend any and all such actions. Seller warranty shall run to Buyer, its successors, Assigns and customers and users of products sold by Buyer.
34. **ETHICS.** Seller shall incorporate the Bally Ribbon Mills **SUPPLIER CODE OF CONDUCT** available via link at <https://www.ballyribbon.com>.
35. **FOD PREVENTION.** Seller shall establish and maintain a Foreign Object Debris (FOD) prevention program appropriate to the sensitivity of the product(s) on order. National Aerospace Standard NAS412 shall be the guideline used to assess compliance with this requirement.
36. **CALIBRATION SYSTEMS REQUIREMENTS.** Seller shall maintain a calibration system that complies with the following specifications (or and equivalent): ANSI Z540.1 OR ISO/IEC 17025. This provision shall be applicable to all inspection, test and measuring equipment used by the supplier or supplied to Bally Ribbon Mills for inspection and test. All test equipment and gages used must be traceable to NIST standards.
37. **OUTSIDE CALIBRATION COMPANIES.** Seller shall require annual eye exams for anyone doing calibration of testing equipment.
38. **REACH.** Seller undertakes to timely provide Buyer with a safety data sheet (SDS) that is compliant with REACH and the European Regulation 1272/2008 of 16 December 2008 on the classification, labeling and packaging of substances and mixtures.

Revision History:

Date	Rev	Change
12/27/2022	K	Revision history added at the request of Supply Chain Manager. #27 had retention time changed from 10 years to 15 years.

10/8/2025	L	#27 had retention time changed from 15 years to 50 years and this statement added "Prior to removing the records from retention, regardless of time, Seller shall inform the Buyer."
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