

PURCHASE ORDER TERMS AND CONDITIONS:

1. **APPLICABILITY:** This purchase order is an offer by J D Machine Corp ("**Buyer**") for the purchase of the goods or services specified on the face of this purchase order (the "**Goods**") from the part to whom the purchase order is addressed (the "**Seller**") in accordance with and subject to these terms and conditions (the "**Terms**", together with the terms and conditions on the fact of this purchase order, the "**Order**"). This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller's acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions of sale or any other document issued by Seller in connection with this Order.
2. **ACCEPTANCE:** This Order is not binding on Buyer until Seller accepts the Order in writing, starts to perform in accordance with the Order, or after 48 hours have transpired from Seller's confirmed receipt of the Order. Buyer may withdraw the Order at any time before it is accepted by Seller. Acceptance includes the pricing, quantity, delivery schedule and other terms of the Order.
3. **DELIVERY:** Seller shall deliver the Goods in the quantities and on the date(s) specified in this Order or as otherwise agreed in writing by the parties (the "**Delivery Date**"). Timely delivery of the Goods is of the essence, and deadlines will be strictly construed. If Seller fails to deliver the Goods in full on the Delivery Date, Buyer may terminate the Order immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller's failure to deliver the Goods on the Delivery Date. In the event of overages or shortages, Seller shall provide written notice to Buyer as soon as Seller becomes aware of such overages or shortages, and Buyer will approve or deny such overages or shortages within three (3) business days after its receipt of such written notice, and in all cases prior to shipment. Overages or shortages must be indicated on Seller's packing slip. Buyer retains the right to reject any shipments delivered six (6) business days or more prior to the Delivery Date. All Goods shall be delivered to the address specified in this Order (the "**Delivery Location**") during Buyer's normal business hours or as otherwise instructed by Buyer.
4. **QUANTITY.** If Seller delivers more than 100% or less than 100% of the quantity of Goods ordered, Buyer may reject all or any excess Goods. Any such rejected Goods shall be returned to Seller at Seller's risk and expense.
5. **CHANGES:** Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation upon written notice to Seller. If any such changes cause increase or decrease in cost, the Seller is to notify the Buyer immediately for consideration of equitable adjustment to the Order.
6. **SHIPPING TERMS.** Delivery shall be made in accordance with the terms on the face of this Order. The Order number must appear on all shipping documents, shipping labels, invoices, correspondence and any other documents pertaining to the Order.
7. **TITLE AND RISK OF LOSS.** Title passes to Buyer upon delivery of the Goods at the Delivery Location. Seller bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location, unless otherwise set forth on the face of the Order.
8. **PACKAGING.** All Goods shall be packed for shipment according to Buyer's instructions in this Order or, if there are no instructions, in the most economically efficient manner that is sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller's expense.
9. **AMENDMENT AND MODIFICATION.** No change to this Order is binding upon Buyer unless it is in writing, specifically states that it amends this Order and is signed by an authorized representative of Buyer.
10. **TERMINATION:** Buyer may terminate this Order, in whole or in part, at any time with or without cause for undelivered Goods immediately upon Seller's receipt of written notice of termination from Buyer. Upon receipt of such termination notice, Seller shall immediately stop all work, including suppliers or subcontractors. Any completed or partially completed Goods must not be destroyed or disposed of until written disposition is given by Buyer. Seller is responsible to timely communicate any costs incurred and allow Buyer the opportunity to consider options of continuing Goods to completion or paying for termination. Buyer is not responsible for any costs incurred by the Seller that could have reasonably been avoided by the Seller after written notice of termination has been provided to Seller. Buyer may also terminate this Order for (a) Seller's failure to comply with these Terms or poor performance on this Order or other orders between Buyer and Seller, or (b) Seller's insolvency or bankruptcy. In the event of such termination, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.
11. **PAYMENT TERMS; SETOFF.** Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with the Terms. Buyer shall pay all properly invoiced amounts due to Seller on the terms set forth on the face of this Order, except for any amounts disputed by Buyer in good faith. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller.
12. **CERTIFICATIONS:** Material, Processing and Machining suppliers are to provide all pertinent test reports/certifications unless otherwise specified. Certifications shall include the specification requirements called out on this PO. Goods and services provided without required certifications will delay the receipt transaction and in turn delay payment.
13. **COUNTERFEIT PARTS:** Seller will not alter Goods or documents, with the intent to mislead or disguise counterfeit goods as genuine or original goods, and shall take necessary action to prevent the use of counterfeit parts in their products and processes.
14. **QUALITY; INSPECTION AND REJECTION OF NONCONFORMING GOODS:** The Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, promptly replace the nonconforming Goods and pay for all related expenses, including, without limitation, transportation charges for the return of the defective Goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate this Order for cause pursuant to Section 10. Machined components requiring NDT are subject to rejection based on NDT results. If time does not permit the return of those Goods to the Seller, and Buyer is capable of performing the necessary rework, Seller will be responsible for additional costs of rework performed at Buyer's facility at Buyer's current production and

- material rates. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller's obligations under the Order, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions.
15. **GENERAL INDEMNIFICATION.** Seller shall defend, indemnify and hold harmless Buyer and its subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees and Buyer's customers (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with the Goods purchased from Seller or Seller's negligence, willful misconduct or breach of the Terms. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent.
 16. **INTELLECTUAL PROPERTY INDEMNIFICATION.** Seller shall, at its expense, defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.
 17. **COMPLIANCE WITH LAW.** Seller is in compliance with and shall comply with all applicable laws, regulations and ordinances. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order. Seller shall comply with all export and import laws of all countries involved in the sale of Goods under this Order. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Buyer may terminate this Order if any government authority imposes antidumping duties, countervailing duties or any retaliatory duties on the Goods.
 18. **ASSIGNMENT:** Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations hereunder. Buyer may at any time assign, transfer or subcontract any or all of its rights or obligations under the Order without Seller's prior written consent.
 19. **WAIVER.** No waiver by any party of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
 20. **SUB-TIER SUPPLIERS:** After consent of Buyer to assign, the Seller shall flow down to their sub-tier suppliers all applicable requirements, including customer requirements and government regulations.
 21. **TRACEABILITY:** The Seller shall maintain traceability throughout the process and clearly label heat lots upon delivery to Buyer.
 22. **SPECIFICATIONS:** Seller shall use and certify to the most current revision of the specification unless otherwise specified by Buyer.
 23. **HEAT LOTS:** Seller shall send one heat lot per line item. If multiple heat lots are required to fill the quantities of this Order prior approval must be must be obtained from Buyer prior to shipment.
 24. **WORKMANSHIP:** In the absence of a customer manufacturing and/or workmanship specification referenced on the drawing, use JD Workmanship Specification, unless otherwise specified on this Order. Specifications are available upon request to Buyer.
 25. **PERFORMANCE EVALUATION:** Key suppliers will be regularly monitored for OTD and Quality. Poor performance in either category may result in probation or removal from approved supplier listing which can result in cancellation of current and/or future orders.
 26. **QUALITY SYSTEMS:** The Seller shall implement a quality management system that is subject to Buyer review and audit.
 27. **PRODUCTION METHOD CHANGES:** Seller is to notify Buyer of any changes in their product and/or process, changes of suppliers and changes of manufacturing location.
 28. **MRB:** Seller does not have MRB authority for any JD-Supplied or JD-Owned parts or materials.
 29. **DISQUALIFICATION:** If Seller is denied previously held quality system certification and/or has been disqualified by any of buyer's customers, Seller shall notify Buyer of removal.
 30. **CUSTOMER DESIGNATED SOURCES:** Seller is to use customer designated or approved suppliers (including process sources). Contact Buyer purchasing for approved sources before sub-contracting with sub-tier suppliers.
 31. **FORCE MAJEURE:** Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("**Force Majeure Event**"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, pandemic, government closure orders, war, invasion, hostilities, terrorist acts, riots, strike, embargoes or industrial disturbances. Seller's economic hardship or changes in market conditions are not considered Force Majeure Events. If Seller's delay or default is caused by a delay or default of a subcontractor or supplier, such delay or default shall be excused only if it arose out of causes beyond the control of both Seller and the subcontractor or supplier and without the fault or negligence of either of them, and the goods or services were not obtainable from other sources in sufficient time to meet the required delivery or performance schedule. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Order. If a Force Majeure Event prevents Seller from carrying out its obligations under the Order for a continuous period of more than thirty (30) business days, Buyer may terminate this Order immediately by giving written notice to Seller.
 32. **RIGHT OF ENTRY:** Seller grants Buyer, its agents, representatives and customers, at all practical times and at the Seller's location, the right to enter and inspect, review and audit all items that in any way relate to this Order, before, during, and after production at any level of the supply chain.
 33. **GOVERNMENT, SAFETY AND ENVIRONMENTAL REGULATIONS:** All Goods shall satisfy current governmental, and safety constraints on restricted, toxic and hazardous materials; as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale. Use of debarred suppliers is prohibited.
 34. **RATED ORDERS:** If a Defense Priority Allocation System (DPAS) rating appears on this Order, the Seller shall comply with all of the requirements of 15 CFR Part 700. Buyer has the following working days to accept/reject the Order: DO-rated 15 days,

DX-rated 10 days. If the Order is to be rejected a response detailing the reasons for the rejection must be provided in writing physically (not electronic).

35. **EQUAL OPPORTUNITY CLAUSE:** All parties agree that they will abide by the provisions of 41 CFR 60-1.4(a) or 41 CFR 60-1.4(b), as well as 60-300.5(a) and 60-741.5(a) as appropriate.
36. **ROHS:** For orders requiring ROHS compliance, "ROHS Compliant" must be reflected in the certifications to confirm compliance.
37. **CONFLICT MINERALS:** Gold, Tin, Tantalum & Tungsten materials must be DRC (Democratic Republic of Congo) conflict free sourced per the requirements of Section 1502 of the Dodd-Frank Act. Approved smelter name is required on the certification if these materials are used.
38. **RECORD RETENTION:** Seller is required to maintain all records pertaining to this Order permanently unless prior, written authorization is obtained from Buyer.
39. **HANDLING:** When value-added work is done to Buyer-owned Goods, prior to commencement of work to these Goods, Seller is responsible for inspecting such Goods for nicks, dings or 'transportation' damage. If Seller discovers damage, pictures of damage are to be sent to Buyer to determine if rework is required prior to Seller proceeding. If no damage is noted by Seller prior to commencement of work, any damage found thereafter is assumed to be Seller caused, and rework/scrap costs will be allocated to Seller accordingly.
40. **BUYER'S PROPERTY:** The title of any property, including tools, gauges and material, paid for by the Buyer or Buyer's customer shall be maintained and protected in good condition at the Seller's expense. Any costs to this property related to damage or loss, while in the Seller's possession, shall be covered at the Seller's expense, at Buyer's option. Seller will maintain necessary insurance to cover the value of these Goods. Seller shall immediately make available any Buyer property requested for review or return.
41. **INSURANCE:** Sellers performing manufacturing and/or processing services are required to provide proof of commercial general liability insurance in a sum no less than \$1,000,000 with financially sound and reputable insurers. In addition, workers' compensation insurance is required if Seller performs any functions on-site, including but not limited to inspection and physical review of delivered parts.
42. **CONFIDENTIALITY:** All non-public, confidential or proprietary information of the Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section 41. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Seller at the time of disclosure; or (c) rightfully obtained by the Seller on a non-confidential basis from a third party. If applicable, this Order is subject to any non-disclosure agreement previously entered into between Buyer and Seller.
43. **AWARENESS:** Sellers are to be aware of their contribution to product conformity, product safety, and the importance of ethical behavior.
44. **RELATIONSHIP OF THE PARTIES.** The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Order.
45. **NO THIRD-PARTY BENEFICIARIES.** This Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.
46. **GOVERNING LAW; SUBMISSION TO JURISDICTION.** All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the State of Utah without giving effect to any choice or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Utah. Any legal suit, action or proceeding arising out of or relating to this Order shall be instituted in the federal courts of the United States of America or the courts of the State of Utah in each case located in the City of Ogden and County of Weber, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.
47. **CUMULATIVE REMEDIES.** The rights and remedies under this Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.
48. **NOTICES.** All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of this Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section 47.
49. **SEVERABILITY.** If any term or provision of this Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
50. **SURVIVAL.** Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following provisions: Section 11 (Payment Terms, Setoff), Section 15 (General Indemnification), Section 16 (Intellectual Property Indemnification), Section 17 (Compliance with Law), Section 40 (Insurance), Section 41 (Confidentiality), Section 45 (Governing Law, Submission to Jurisdiction), and this Section 48.

Revised 2/15/2022