

Purchase Order Terms and Conditions

Effective 12-18-2023

This document describes the Supplier Requirements to Taylor Machine Inc. These terms and conditions apply to all suppliers of product, material, hardware, service and/or manufacturing services determined by Taylor Machine Inc. to directly affect the quality of products we supply to our customers. By accepting our purchase order, it is understood that your organization agrees to meet the following requirements whenever a Taylor Machine Inc. purchase order is received.

1.) Taylor Machine Inc. reserves the right to review and approve the Suppliers Quality Management System. QMS requirements include:

1.1.) Suppliers providing special processing must maintain a system for validating processes similar to that of a NADCAP program, or other system as required by this purchase order.

1.2.) Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.

1.3.) Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, etc.) must notify our organization of any changes to that certification.

1.4.) Suppliers providing NADCAP certified services must provide current documentation of these services and shall notify Taylor Machine Inc. of certification changes such as process, scope and revision.

1.5) Suppliers shall complete a supplier evaluation when required.

1.6) Suppliers shall notify Taylor Machine Inc. of any changes in Management representative with assigned responsibility and authority for the Quality system.

1.7) Supplier Performance will be monitored through the following:

1.7.1) OTD, supplier performance history, buyer experience, pricing, delivery, CA's, supplier evaluation, and supplier capabilities.

Purchase Order Terms and Conditions

Effective 12-18-2023

2.) New suppliers shall provide current documentation of all quality system certifications, NADCAP certifications, ISO, AS9100 Cert as well as the scope of the accreditations as requested by Taylor Machine Inc.

3.) General Flow Down Requirements: All specifications flowed down to the supplier are to be interpreted to the most current revisions unless otherwise specified. Required documentation order of precedence is the PO then the print. Customer specific flow down requirements that apply to every PO for that specified customer and specific specifications on specific processes, critical items, or key characteristics will be detailed on the PO and/or drawing

4.) Taylor Machine Inc. reserves the right of final approval of product/ services, methods, procedures, processes, equipment, and/or the release of products and services.

5.) All special processes required by this purchase order must be performed by qualified personnel.

6.) The Supplier shall maintain on file and make available to Taylor Machine Inc., its customers and/or regulatory authority, all quality data/records such as certificates of material and/or processes, acceptance test reports, inspection records, control plans and other applicable quality control data for Life of Part + 10 years minimum/ indefinitely from completion of purchase order that directly affects the quality of parts/services ordered by Taylor Machine Inc. At the end of the retention period supplier shall provide the option for Taylor Machine Inc. to take possession of the records. If records need to be destroyed after a set period of time, Taylor Machine Inc. will provide this information and time period.

7.) To ensure product identification and traceability, Taylor Machine Inc. requires material certificates, certificates of conformity, and/or supporting documentation from its suppliers as is appropriate. These requirements will be specified on the purchase order. Supplier shall maintain product traceability throughout the process.

8.) Taylor Machine Inc., its customers and/or any regulatory authority shall have the right of access to the supplier's facility and all applicable records for parts/services purchased, and documents by Taylor Machine Inc.

Taylor Machine Inc. shall have the right to conduct On-Site Survey & Surveillance (Right of Access): within your plant, including any sub-tiers' operations, to evaluate capability to comply with PO and/or quality requirements.

All Purchase Orders issued to Supplier by Taylor Machine Inc. are subject to the following:

9.) Approved suppliers shall maintain a Taylor Machine Inc. approved quality management system (QMS), demonstrating compliance with all applicable AS9100 requirements.

Purchase Order Terms and Conditions

Effective 12-18-2023

- 9.1.) If a supplier is certified for a QMS via ISO 9001, AS9100, and/or NADCAP they will be considered as having an Taylor Machine Inc. approved QMS.
- 9.2.) If a supplier does not maintain their QMS or repeatedly fails to respond to nonconformance issues they will be inactivated and given no new work.
- 10.) All agreements between Supplier and Taylor Machine Inc. shall not be binding on either party unless documented by a new PO or amended PO.
- 11.) Supplier shall be wholly responsible for conformance to requirements of materials and services purchased from Supplier's Sub-Tiers. Supplier shall assure and certify their Sub Tiers' performance via inclusion in Supplier's C of C to the requirements of applicable specifications found in all drawings and part documentation.
- 11.1.) For a list of approved suppliers contact Taylor machine Inc.
- 12.) Supplier must send an acknowledgement of PO. Acknowledgement shall confirm price, lead time, and required service.
- 13.) First article inspection integrity supplier is required to:
- 13.1.) Notify our organization of nonconforming product immediately upon discovery, including defects in products already delivered to Taylor Machine Inc.
- 13.2.) Obtain approval for nonconforming product disposition. All parts that are dispositioned as nonconforming must be identified with a discrepant part tag or other means of identification. Supplier shall maintain a system for the control, segregation, and identification of nonconforming product.
- 13.3.) Notify our organization of changes in product and/or process, changes of external suppliers, and changes of manufacturing facility locations.
- 13.4.) Flow down applicable Taylor Machine Inc. purchase order requirements to their sub-tier suppliers.
- 13.5.) Notify our organization of late deliveries.
- 13.6.) Supplier shall ensure that all individuals performing work on Taylor Machine Inc. product is qualified. Individual must be aware of product safety, product conformity, ethical Behavior, and have the competence to complete require work.

Purchase Order Terms and Conditions

Effective 12-18-2023

14.) Supplier's procured material and details used in parts supplied to Taylor Machine Inc. shall be subject to a system that will assure conformance to drawings and specification requirements. The system will use test reports, specifications and inspection verification as appropriate, as well as the physical and chemical properties of the materials. Raw material shall be clearly identified as to the composition, heat treatment, source location, specification number (including revision), and any other characteristics imposed upon us by our end-customers and regulatory agencies.

15.) When performing less than 100% inspection, sampling procedures shall be based upon a plan approved by Taylor Machine Inc. Quality assurance unless otherwise specific by customer requirements.

16.) The supplier shall not make any changes to the approved PO of the product or service to specified requirements, unless Taylor Machine Inc. provides, in writing, official revised documentation. Supplier shall maintain a change control system to ensure all changes to drawings, specifications and/or test methods are incorporated.

17.) Specific controls shall be established, defined in writing, maintained and recorded by Supplier on all manufacturing processes. Supplier in the course of continued manufacturing of the product shall not make any changes to any of the operating or control parameters associated with the processes without written approval from Taylor Machine Inc. These processes shall include, but are not limited to, anodize, heat treat, passivate, plating, chemical film, welding, mechanical tests, and chemical composition analysis.

18.) Supplier must submit a Certificate of Compliance (C of C), in an acceptable industry- standard format to certify that the material and processes used to fulfill the PO meet all specified requirements. The necessary documentation and test data must be on file to substantiate the C of C. The C of C must include as a minimum and applicability; Supplier's Name, Supplier's address, Taylor Machine Inc. PO number, part number, batch/heat number(s), quantity in shipment, authorized name and title (typed and signed), date the C of C was issued, and statement of conformance referencing the specification (including revision).

18.1.) When drawings and/or specifications require special processes, a certification is required for each special process.

19.) All material furnished to support the PO must be clearly marked and identified with the respective cure date, manufacturing date, shelf life, and expiration date, if applicable. All perishable or limited shelf life items requiring controlled storage temperatures must be supplied in containers noting the special storage requirements. Material shipped to Taylor Machine Inc. shall have a minimum of 75% remaining on the specified shelf life. The supplier must supply an MSDS with the material, if applicable. If data is not immediately available, forward MSDS data form to Taylor Machine Inc. immediately.

Purchase Order Terms and Conditions

Effective 12-18-2023

20.) Annealing, heat treating or stress relief requirements as outlined in the drawing(s) must be documented with the furnace time - temperature chart(s). The chart(s) must be kept on file and subject to Taylor Machine Inc. quality record retention requirements specified in these terms and conditions.

21.) Suppliers providing calibration services must be certified to ISO 17025. All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).

22.) Supplier shall maintain suitable tools, gauges and test equipment for measuring and testing for conformance. Supplier shall maintain a system for periodic inspection & calibration of the test equipment traceable to the National Institute of Standard Technology (NIST). Supplier must also have a positive recall system in place as well as a positive action taken for equipment received out of tolerance that could compromise the quality of the finished product.

23.) The supplier shall establish and implement a "Software Quality Assurance Plan" (SQAP), as applicable, to assure that deliverable and non-deliverable software used directly for design, fabrication, inspection, test or operation of deliverable articles is controlled and complies with the intent of AS9100 requirements.

24.) A completed original Mill certified test report, including chemical & physical properties for all raw materials are required with each shipment attached to the packing list. Whenever direct reference to the specific material specification is made by the drawing and/or PO, all certifications

A.) DFARS material required

25.) All product supplied to Taylor Machine Inc. shall be identified in accordance with PO and/or drawing requirements.

26.) The Supplier shall provide packaging in accordance with the best commercial packing methods, to protect the product from damage and for safety in handling during the shipping process or, per specific instructions as noted on our purchase order.

27.) Packaging & Preservation: The supplier shall provide effective damage-avoidance packaging, specifically no metal- to-metal contact of parts (i.e.; provide separators between each part and appropriate dunnage (e.g. avoid parts rattling in the container). Newspaper or small Styrofoam peanuts are not permissible in packaging. Parts shall be properly protected, from initial receipt of WIP parts, through shipment of end-item to Taylor Machine Inc. (i.e.; shipped, delivered and/or picked up) to prevent damage, contamination and deterioration. Supplier's personnel shall be trained and have knowledge of this clause including all instructions regarding special handling requirements as applicable. Raw material shall be protected against corrosion or rust during manufacturing, storage and shipment.

Purchase Order Terms and Conditions

Effective 12-18-2023

Magnesium alloys, carbon steels, low alloy steels and bare 400 series stainless steels shall be protected adequately.

28.) Supplier must use the carrier and mode of transportation identified on the PO or unless otherwise authorized, in writing, by Taylor Machine Inc.

29.) Taylor Machine Inc. may require a Corrective Action Report from its suppliers when nonconforming material/product/service is discovered. Supplier shall submit a response to the Corrective action within 10 business days. Specific actions may be implemented where timely and/or effective corrective actions to a supplier issue are not achieved. These actions may include, but are not limited to, removal of the supplier from the approved supplier list.

30.) Counterfeit Parts: All Suppliers must adhere to AS6174 regarding, Counterfeit Material and Assuring Acquisition of Authentic and Conforming Material. Sellers of raw materials/components shall insure that only new and authentic materials/components are used fulfilling POs to Taylor Machine Inc. Distributors may only purchase materials/components directly from original manufacturers. Use of material that was not provided by these sources is not authorized unless first approved in writing by Taylor Machine Inc. The supplier must present compelling support for its request and include in its request all actions to ensure the material is authentic and conforming including all applicable traceability.

31.) Conflict Mineral Requirement: All parts must comply with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") regarding the sourcing of tantalum, tin, tungsten and gold from certain mines within the Democratic Republic of Congo (DRC) or adjoining countries as defines in the Act. All necessary steps must be taken to implement conflict-free sourcing wherever possible.

32.) ITAR & EAR: All drawings and any other accompanying documents provided, if any, may contain information subject to the International Traffic in Arms Regulations (ITAR) and/or the Export Administration Regulation (EAR). Transfer of any Technical Data by any means to a foreign person or foreign entity, whether in the United States or abroad, without first complying with the export license requirements of the ITAR and/or the EAR is against the law and in violation of the terms of any PO. By agreeing to accept any order, Supplier certifies to Taylor Machine Inc. that Supplier has not violated any ITAR and/or EAR laws in the fulfillment of this order or any subsequent or previous order.

33.) Design and Development: Taylor Machine Inc. Does not design or develop and excludes this on AS9100 certification. If in the future Taylor Machine Inc. designs and/ or develops product, our company will require the following:

Purchase Order Terms and Conditions

Effective 12-18-2023

33.1) Verification of Manufacturability(Test Specimen for approval), Strict Rev control, Control plans, First article inspection report approval, Final inspection report of product for approval, C of C's, Material Certs, Service Certs,MSDS, Conflict materials / RoHS/ Reach declaration, Investigation, auditing, and Initial production part approval by Taylor Machine Inc

34.) If website is not available call (763) 786-5949 for Terms and Conditions

Taylor Machine Inc has built a reputation and ethical, moral and legal business standards by conducting business with honesty and integrity. If applicable, we ask that our suppliers adhere to the same standards when conducting business with Taylor Machine Inc. Taylor Machine Inc complies with the letter and spirit of every applicable local, state, federal law or regulation. Violations of these laws or regulations can be extremely costly to Taylor Machine Inc. and can subject to criminal penalties. We ask our suppliers to comply with all applicable laws and regulations when doing business with Taylor Machine Inc. We are committed to providing a work environment that is free from all form of discrimination, including sexual harassment and harassment based on race, color, religion, sex, national origin, age, disability or other protected status. We provide equal opportunity in all of our employment practices and seek to ensure that each one of us is treated with fairness and dignity. In addition, we comply with all federal and state laws regarding child labor. We comply with all applicable employment and labor laws. We are committed to providing a healthy and safe work environment. Taylor Machine Inc's. employees abide by company standards in safety matters, we do our part to maintain a healthy and safe work environment and take the necessary steps to ensure the safety of our employees and the safety of others. We also respect and protect the environment. We are committed to reducing our impact on the planet and endeavor to reduce energy and natural resource consumption. We comply with all applicable environmental laws and regulations.