

1. **TERMS:** Unless otherwise specifically agreed upon in writing between ACTRON (Buyer) and the External Provider, whose name appears on the Order, these terms and conditions govern the entire agreement between the External Provider and ACTRON regarding goods and services covered by the order. The acceptance of the order by the External Provider shall be conclusive evidence of the External Provider's approval, consent and agreement to the terms and conditions herein.
2. **CONFIRMATION OF ORDER:** The External Provider must acknowledge the order and notify ACTRON, within two business days, if the order will be fulfilled or not.
3. **PRICES:** All prices shall be stated in U.S. Dollars and shall stay firm during the entirety of the Purchase Order. Any price increase shall be absorbed by the External Provider.
4. **PAYMENT:** All invoice payments will be issued within 7 days after the receipt and acceptance of items and payment terms. If the order requirements are not met, payment including COD shipments, will be delayed a corresponding amount of time until such requirements are met.
5. **SCHEDULE AND DELIVERY:** The External Provider shall strictly adhere to all Purchase Order schedules and requirements. If the External Provider becomes aware of any circumstances that will actually or potentially cause a delay in delivery of the ordered items, the External Provider shall immediately notify ACTRON in writing stating the reason for the delay. Such notice shall include a revised schedule and shall not constitute a waiver to Actron's (Buyer) rights and remedies hereunder.
6. **SUB-TIER SUPPLIERS:** The External Provider is responsible for the flow down of all requirements to any/all of their supply base where Purchase Orders have been released for production of ACTRON orders.
7. **SPECIFICATIONS:** All goods and services furnished pursuant to the Purchase Order shall strictly conform to the specifications, descriptions and warranties set forth in such Purchase Order or any written specifications provided by ACTRON (Buyer) to the External Provider. No materials shall be supplied to Actron which have less than 75% of useful life remaining. Or one year, whichever is less.
8. **CHANGES:** The External Provider shall not direct or implement any changes or substitutions (which affect fit, form or function) to the contracted Purchase Order without prior notification and written approval from ACTRON (Buyer). The Buyer (ACTRON), from time to time, may direct changes for Technical requirements, Shipment and packaging requirements, place of delivery, place of performance, inspection and acceptance, reasonable adjustments in quantity, delivery schedule or the amount of Buyer furnished property. If any change causes an increase or decrease in the price or in the time required for its performance, the External Provider shall promptly notify ACTRON thereof and insert its claim for equitable adjustment within 30 days after the change is ordered and an equitable adjustment shall then be made. Nothing in this provision shall excuse the External Provider from proceeding immediately with the directed change(s). Changes shall not be binding upon ACTRON except when specifically confirmed in a written Purchase Order or Change Order.
9. **QUALITY:** The External Provider shall have and maintain a documented Quality Management System which is acceptable and appropriate for the items or services supplied hereunder and shall comply with general industry standards. Items and services supplied shall meet the requirements of the applicable specifications and documentation (e.g. drawings, specifications, standards etc.). It shall be the sole responsibility of the External Provider to monitor technical specifications regarding materials, methods, fit, form and function whether or not the items or services provided have been manufactured by the External Provider or by any of the External Provider's subcontractors.



ACTRON – EXTERNAL PROVIDER GENERAL TERMS AND CONDITIONS

10. **COMPLIANCE TO LAWS:** The External Provider shall comply with all applicable provisions of Federal, State and Local Laws and Ordinances and all lawful orders, rules and regulations.
11. **MATERIALS, PACKAGING AND SHIPPING:** All goods to be delivered hereunder shall consist of new materials or materials provided by ACTRON (Buyer), modifications may be required. The External Provider shall prepare and package all goods to prevent damage or deterioration and shall use best commercial practices for packing and packaging of items to be delivered under the contract, unless otherwise specified in the Purchase Order.
12. **COUNTERFEIT PARTS PREVENTION**

ACTRON requires sellers provide only products from original manufacturer's or their authorized distributor chain. No products can be acquired from independent distributors or brokers unless approved in advance and in writing by Actron. When requested the external provider shall provide documentation from the manufacturer that authenticates traceability of item to the applicable manufacturer. The external provider shall notify Actron immediately when they become aware or suspect that they have furnished counterfeit products. The external provider shall establish and maintain a counterfeit detection process that is similar to and meets the intent of SAE AS5553, counterfeit parts, avoidance, detection, mitigation and disposition for the prevention and control of parts identified as counterfeit.
13. **DOCUMENTATION:** The External Provider shall provide all documentation requested by ACTRON (Buyer), as specified on the Purchase Order. This documentation may include, but not limited to the following: Certificate of Compliance, First Article Inspection, Material Certifications, Chemical Certifications and Test Report Data.
14. **INSPECTION AND ACCEPTANCE:** ACTRON's (Buyer) final acceptance of goods or services is subject to ACTRON'S final inspection after receipt at its facility or another place as designated by ACTRON (Buyer). The External Provider and its external sources shall maintain quality control and inspection programs that ensure delivered product meet all customer requirements as specified through the Purchase Order and/or other technical documentation. ACTRON (Buyer) or its representatives shall have the right of access, on a non-interference basis, to any area of the External Provider's or its external sources' premises where any part of the work is being performed. The External Provider, without any additional cost to ACTRON (Buyer), shall provide all reasonable in-plant accommodations, facilities and assistance for the safety and convenience of the Buyer (ACTRON) and the Buyer's representatives in the performance of their duties. The External Provider shall keep and maintain inspection, test and related documents, which shall be made available to the Buyer (ACTRON) or the Buyer's representatives. The External Provider agrees to comply with all retention times specified by ACTRON on the Purchase Order and shall allow copies to be made and furnished to the Buyer or the Buyer's representatives upon request.
15. **REJECTION:** If the External Provider delivers non-conforming goods or services, ACTRON (Buyer) may, at its option and the External Provider's expense; return the goods for refund or credit, require the External Provider to promptly correct or replace the goods or services or obtain the goods or services from another source.
16. **TERMINATION OF CONVENIENCE:** ACTRON (Buyer) by notice in writing, may direct the External Provider to terminate work under this Contract, in whole or in part, and at any time, and such termination shall not constitute default. ACTRON may take immediate possession of all work performed upon notice of termination. The External Provider shall immediately stop work and limit costs incurred on the terminated work.
17. **CODE OF ETHICS EXPECTATIONS:** ACTRON expects its external providers to meet our ethics expectations. ACTRON will only do business with external providers that comply with applicable and controlling laws, rules, and regulations. It is ACTRON's expectation that external providers, their employees, sub-tier contractors and any other parties involved with the execution of ACTRON work, similarly comply with applicable laws, rules and regulations. ACTRON expects the following, without limitation, including respecting the human rights of employees from all its external providers.

18. **SUBSTANCE REGULATIONS:** ACTRON is required to comply with an increasing number of substance regulations around the world in order to sell our products. We ask that our External Providers be observant of this and fully comply with these relevant regulations.

- A) **REACH/RoHS COMPLIANCE:** The External Provider shall ensure all goods comply with the requirements imposed by the European Directive 2011/65/EU of the European Parliament and of the European Council of 8 June 2011 on the restrictions and use of certain hazardous substances in electrical and electronic equipment (RoHS). The External Provider shall comply with any amendments to RoHS which the European Parliament may impose and by any further instructions given by ACTRON (Buyer). In addition, the External Provider covenants that it will comply with Regulation EC 1907/2006 (REACH) in every aspect. The External Provider shall notify ACTRON, without delay, should substances contained, in whatsoever form or concentrations, in deliveries to ACTRON, be considered Substances of Very High Concern (SVHC).
- B) **CONFLICT OF MINERALS:** The External Provider shall commit to comply with Section 1502 of Dodd-Frank Wall Street Reform and Consumer Protection Act associated with sourcing of Tin, Tantalum, Tungsten and Gold from the Democratic Republic of the Congo and adjoining countries. The External Provider shall have in place a Supply Chain Policy to undertake a reasonable inquiry into the country of origin of conflict minerals incorporated into product/services it provides to ACTRON, as well as, perform due diligence of its supply chain as necessary.

19. **DFARS REQUIRED MATERIAL:** ACTRON is required to comply with DFARS regulations as specified by our customers. We ask that our External Providers be observant of this and fully comply with these relevant regulations as identified on the Purchase Order/Contract.

For Purchase Orders specified as DFAR or DFARS (Defense Regulations Acquisition Regulation System), the following Clauses are incorporated in their entirety:

DFAR 252.225-7008 – Restriction and Acquisition of Specialty Metals

DFAR 252.225-7009 – Restriction and Acquisition of Certain Articles

DFAR 252.225-7010 – Commercial Derivative Military Article – Specialty Metal Compliance Certificate

DFAR 252.225-7012 – Quality Country Sources and Subcontractors

All applicable Clauses above are incorporated into the Purchase Order and must be flowed down to all sub-tier external providers that supply articles delivered under the Purchase Order that include Specialty Metals. All such Clauses provide the same definition of Specialty Metals and prohibit Actron and all of its external providers, at every tier, from incorporating Specialty Metals into US Military parts, components and/or end deliverables unless the Specialty Metals have been smelted or produced in the United States, its outlying areas, or a qualifying country as listed in DFARS 252.225-7012.

If material is found not to be compliant with DFARS, the material will be returned to the external provider at their expense and Actron will be reimbursed for the entire cost of the material even if the material is in a machined state.

20. **NADCAP REQUIREMENTS**

ACTRON is required to comply with NADCAP requirements as stated by our customers. Only approved NADCAP accredited Suppliers shall be used when specified. The Supplier shall not perform any work or process, in any part, if they are not NADCAP approved. The Supplier shall flow down to sub-tier/contractors all applicable NADCAP requirements as specified in the Purchase Order.