

TERMS & CONDITIONS OF PURCHASE ORDERS

ACCEPTANCE OF PURCHASE ORDER: This purchase order shall become a binding contract upon the terms and conditions stated in this purchase order upon acceptance by supplier, by an expression of acceptance or upon commencement of performance by supplier, whichever comes first. Any terms or conditions by supplier in acknowledging or accepting DUVAL PRECISION GRINDING, INC.'s ("DUVAL") offer which differ from the terms set herein shall not be binding upon DUVAL PRECISION GRINDING, INC. unless agreed to by DUVAL in writing.

WORKMANSHIP: It is supplier's responsibility to 100% understand all Order Requirements prior to PO acceptance. Order Requirements includes all blue print callouts, operations sheets, process sheets, and inspections requirements. Supplier shall maintain appropriate resources, skill, and quality systems comparable with aerospace-grade supplier to ensure product conformance and safety.

INTEGRITY & ETHICS: DUVAL expects all suppliers to conduct their business ethically and with integrity including compliance with all applicable local, national, and international laws and regulations.

SAFETY, HEALTH, & ENVIRONMENTAL COMPLIANCE: DUVAL expects it's suppliers to commit to operating a safe workplace and to follow all applicable safety, health, and environmental laws, regulations, and rules.

COUNTERFEIT PARTS: Supplier shall plan, implement, and control processes for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to DUVAL.

QUALITY FLOW DOWN: Supplier, and subcontractors, must comply with quality requirements listed on purchase order. Supplier must notify the organization of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval.

SUBCONTRACT: Supplier may not subcontract work without written authorization from DUVAL. Suppliers are responsible to flow down to sub-tier (when authorized in writing) the applicable requirements in the purchasing documents.

NON-CONFORMING PRODUCT: Suppliers are to notify DUVAL of any non-conforming material or workmanship (including latent defects) upon finding of non-conformance.

RECORD RETENTION: Retention of records shall comply with regulatory standards and quality requirements as listed on purchase order.

RIGHT OF ENTRY: DUVAL and all its regulatory authorities, will have the right to enter the suppliers facility and any facilities involved in this order to verify capability, perform inspection, review applicable records or ensure compliance to the requirements of this order.

CANCELTION/TERMINATION: DUVAL shall have the right to cancel or terminate this order, or any portion of this order, without any cost of other liability.



Ron Parlengas – President/CFO/QA Manager
President

3-5-18

Date

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