

RAM MANUFACTURING COMPANY, INC. – PURCHASING TERMS AND CONDITIONS.

1. **ACCEPTANCE:** This order becomes a binding contract upon the terms and conditions set forth herein when seller accepts by executing and returning an acknowledgment copy within 7 days from date of order or when seller commences performance, whichever occurs first. Additional or different terms proposed by Seller are objected to and rejected unless accepted in writing by RAM. No change, modification of, or revision to this order shall be valid unless in writing and signed by RAM.
2. **DELIVERY:** Time is of the essence in the performance of this order. Seller shall not, without RAM's prior consent, manufacture or procure materials in advance of Seller's normal flow time or deliver in excess of 2 weeks in advance of PO schedule. In the event of termination or change, no claim will be allowed for any such manufacture or procurement in advance of such normal flow time unless there has been such prior written consent. RAM may at its option either retain items received in advance of the delivery schedule or return them to the Seller at Seller's risk and expense.
3. **PRICE WARRANTY:** Seller warrants that the prices for the items or services covered hereby are not less favorable than those currently extended to any other customer for the same or similar quantities. In the event Seller reduces its price during the term of this order, Seller agrees to reduce the price hereof correspondingly. Seller warrants that prices shown on this purchase order shall be complete and no additional charges of any type shall be added without RAM's express written consent. Such additional charges include, but are not limited to, packaging, labeling, custom duties, storage, insurance, boxing, and crating.
4. **INSPECTION:** All articles are subject to inspection and test at place of manufacture or at RAM or at both places by RAM's representatives and in the case of orders to be supplied for the use of the Government, subject to inspection and test by representatives of the Government. RAM reserves the right to perform lot sampling inspections in accordance with ANSI/ASQ Z1.4 (issue in effect at date of this order) and to accept or reject material supplied hereunder on a lot basis.
5. **SUPPLIER PURCHASED MATERIAL:** Seller purchased material to be delivered in the form of finished or semi-finished parts must be inspected by Seller upon receipt to the extent necessary to assure conformance to the applicable metallurgical, chemical, physical, and other technical requirements. Certification of material conformance must accompany each shipment of finished goods or raw material.
6. **WARRANTY:** Seller expressly warrants that all goods furnished hereunder will be fit for the purpose intended, will be free from defects in material and workmanship, will conform to all applicable specifications, drawings, samples, and descriptions, and unless of RAM's design, will be free from design defect and will be merchantable and saleable. Seller agrees to replace or correct defects of any goods not conforming to the foregoing warranty, promptly, without expense to RAM, when notified of such nonconformity by RAM. In the event of failure of Seller to correct defects or replace nonconforming goods promptly, RAM after reasonable notice to Seller, may make corrections or replace such supplies and charge Seller for the cost incurred by RAM. All warranties shall be construed as conditions as well as warranties and shall be in addition to all warranties implied by law. All warranties shall run to RAM, its successors, assigns, and customers.

7. **NONCONFORMANCE:** Seller shall not knowingly deliver to RAM material that contains any nonconformance to the blueprint, specifications, or terms and conditions to this purchase order without prior written approval from RAM.
8. **REJECTIONS:** RAM reserves the right to reject and receive full credit for any article or articles which are defective as to material, workmanship, quality, or otherwise, or which are not in conformity with the specifications, drawings, or the First Article approved by RAM without extra cost to RAM. Seller will immediately upon receipt of written instructions by RAM replace all rejected material including any material damaged because of unsatisfactory packing by Seller. Seller will be notified of defective material not in accordance with specifications of RAM and such material will be returned to the Seller freight COLLECT. Material returned to Seller by RAM must be identified when this material is re-submitted for RAM acceptance. The Seller's shipping document must include the RAM P.O. number and the RAM Nonconformance Report (NR) number and a statement "this is Re-Submitted Material."
9. **DISPUTES:** In the event RAM claims that the items furnished or to be furnished under this order do not conform to the description contained in this order and Seller contest RAM's claims, and/or – in the event of any other dispute between the parties regarding rights or obligations under this purchase order, Seller shall proceed in accordance with RAM's instructions pending resolution of the dispute. In the event of resolution of the dispute in favor of Seller, the price of this order shall be equitably adjusted to compensate the Seller for efforts expended in complying with RAM's instructions insofar as RAM's instructions impose burdens upon the Seller in addition those imposed by this order prior to the issuance or RAM's instructions.
10. **CORRECTIVE ACTION REQUEST:** Seller must respond to RAM's corrective action requests in the time specified. Failure to respond may be considered a reason for rejection of Seller supplied material and cause for removal of supplier from RAM's approved vendor list.
11. **CHANGES:** RAM may at any time issue written notice and without notice to sureties make changes within the general scope of this order in any one or more of the following: (I) drawings, design, or specifications. (II) method of shipment or packing. (III) place of inspection, acceptance or point of delivery. (IV) delivery schedule. (V) quantity, should any such change increase or decrease the cost of or the time required for performance of this order, an equitable adjustment may be requested by Seller in the price, delivery schedule or both. No claim by Seller for such an adjustment will be valid unless submitted to RAM within ten (10) days from the date of such change notice. Nothing contained herein shall excuse Seller from proceeding without delay in performing on this order as changed.
12. **BANKRUPTCY-CANCELLATION:** RAM may cancel this order in whole or in part by written or telegraphic notice if (1) the Seller shall become insolvent and/or make a general assignment for the benefit of creditors; or (2) a factored assignment for the benefit of creditors; or (3) a petition under the Bankruptcy Act is filed by or against the Seller. After receipt of notice of any such cancellation, the Seller shall transfer title and deliver to RAM satisfactorily completed work and such work in progress as may be directed by RAM, including any and all tooling purchased or being purchased by RAM, if the cost of completion is in excess of the contract price, the Seller shall be liable for such excess.
13. **TERMINATION FOR CONVENIENCE OF PURCHASER:** RAM reserves the right to terminate this order or any part thereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any of its suppliers or

subcontractors to cease such work. Seller shall be paid a reasonable termination charge consisting of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination plus actual direct material costs resulting from termination. Seller shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.

14. **TERMINATION FOR CAUSE:** RAM may terminate this order or any part thereof for cause in the event of any default by the Seller or if the Seller fails to comply with any of the terms and conditions of this order. Late deliveries or products which are defective, or which do not conform to this order or failure to provide RAM, upon request, reasonable assurances of future performance, shall all be causes allowing RAM to terminate this order for cause. In the event of termination for cause, RAM shall not be liable to Seller for any amount and Seller shall be liable to RAM for any and all damages sustained by reasons of the default which gave rise to the termination.
15. **FORCE MAJEURE:** RAM reserves the right at its option to either suspend shipments of materials covered by this order or to cancel this order in whole or in part at any time where such suspension or cancellation is caused by government order or other occurrences such as: embargoes, acts of civil or military authorities, acts of the public enemy, inability to secure transportation facilities, strikes, differences with workers, accidents at plant of RAM or Defense Materials system priority regulations, or other laws or order or regulation or other contingency beyond the control of RAM.
16. **NOTICE OF LABOR DISPUTE:** Whenever an actual or potential labor dispute is delaying or threatening to delay the performance of this order, Seller shall immediately give notice thereof to RAM.
17. **COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS:** Seller shall comply with all federal, state and local laws and regulations applicable to its performance of its obligations hereunder (including to the extent applicable and without limitation) Fair Labor Standards Act of 1938 as amended. William-Steiger-Occupations/Safety and Health Act of 1970 as amended. Walsh-Healey Public Contracts Act of 1970 as amended, and the equal employment opportunity and affirmative action clauses prescribed by statute (Public Laws 90-902, 93-112, 92-640, 95-507), executive order (11246, 11375, 11625, 11701, 11758) and regulations regarding race, color, religion, sex, age, national origin, physical or mental handicap, veteran status, small business, small disadvantaged business and women-owned business concerns.
18. **GOVERNMENT REGULATIONS-TOXIC SUBSTANCES CONTROL ACT:** Seller hereby certifies and represents it has complied with all applicable rules and regulations issued under the Toxic Substance Control Act (Public Law 94.469) and will defend, indemnify and hold harmless RAM from and against any and all claims, losses, damages, costs, and expenses resulting from or arising out of any failure to so comply with said act.
19. **INDEMNIFICATION:** Seller shall defend, indemnify, and hold harmless RAM, its customers, and those for whom RAM may act as agent, against all damages, claims, or liabilities and expenses (including attorney's fees) arising out of or resulting in any way from any defect in the goods or services purchased hereunder or from any act or omission of Seller, its agents, employees or subcontractors. This indemnification shall be in addition to the warranty obligations of Seller.

20. **ASSIGNMENT AND SUBCONTRACT:** This order shall not be assigned or transferred without prior written consent of RAM. Seller agrees that it will not subcontract the finishing of any other completed or substantially completed articles required by this order without prior written approval of RAM.
21. **LIEN RELEASE:** Seller shall indemnify and hold harmless RAM from and against all liability loss, cost, damage, or expense, including attorney's fees which RAM may suffer or incur as a result of any claim (1) which is made as result of any injury or death to or damage to property of any person including but not limited to RAM, Seller, or any employee, agent, invited or licensee of either or (2) for laborers, mechanics, and/or material liens which arise out of or in connection with the work under this order. As a condition to payment of any invoice submitted under this order, Seller shall furnish RAM with mechanic's lien releases covering all labor, material, and all other things used by Seller in the performance of the work covered by this order. Prior to commencing any work under this order, Seller shall provide evidence of public liability insurance, covering injuries to both person and property and worker's compensation insurance in amounts approved by RAM and commensurate with the nature of the work performed. Seller may also be required to sign a RAM safety and Fire Prevention Regulations form.
22. **WAIVER:** Failure of RAM to insist upon strict performance of any of the conditions of this order shall not constitute a waiver of such condition or a waiver of any default.
23. **PATENT RIGHTS:** If this order has as one of its purposes experimental, developmental, or research work, then, unless otherwise specified in this order, Seller shall comply with the obligations of the "contractor" as contained in Part 27 of the Federal Acquisition Regulation "Patent Rights" (license).
24. **INTERPRETATION AND JURISDICTION:** This purchase order shall be construed and interpreted solely in accordance with the laws of the State of Utah. Seller hereby consents and submits to the jurisdiction of the appropriate courts in the State of Utah for adjudication of any question of law arising hereunder.
25. **GRATUITIES AND KICKBACKS:** If it is found that gratuities or kickbacks in the form of cash, gift cards, entertainment, gifts, or otherwise are offered or given by the Seller, any agent, or representative of the Seller to any employee of RAM with a view toward securing favorable treatment with respect to the awarding or the making of any determinations with respect to the performance of any order, RAM may, by written notice to Seller, terminate this order as upon a default in addition to pursuing any other rights and remedies provided by law.
26. **DEFINED ORDER OF PRECEDENCE (BETWEEN DOCUMENTS):** If any clause or requirement is in conflict with a similar clause or requirement, the order of precedence between documents listed below will determine which clause is relevant and binding:
 - a. Non-Disclosure Agreement.
 - b. RAM Purchase Order Notes and/or Instructions.
 - c. RAM Supplier Quality Assurance Requirements.
 - d. RAM Long-Term Agreement.
 - e. RAM Purchasing Terms and Conditions.

Additionally, if a clause or requirement is not outlined in a document with precedence, it is understood that this is not an omission of responsibility, and such requirements will be followed and incorporated accordingly.