

Supplier Terms & Conditions



By accepting a purchase order issued by TGS Precision, LLC, (TGS), the supplier agrees to the following terms and conditions:

- Purchase order line items will specify adequate relevant information for fulfilling the purchase order (item numbers, specifications, drawings, process requirements, work instructions, etc). Referenced documentation (drawings, specifications, etc) may accompany purchase orders where applicable. As applicable, the purchase order will specify any special requirements, critical items, or key characteristics.
- As applicable, the purchase order will provide requirements for the approval of the following:
 - Products and services;
 - Methods, processes, and equipment;
 - The release of products and services;
 - The use of statistical techniques for product acceptance and related instructions for acceptance by TGS
- Communications regarding the purchase order should be with the TGS employee who issued the purchase order, must be written in English, and either mailed to the company address or delivered via email (info@TGSPrecision.com). Communication will be effective when received via US mail or email receipt.

Delivery, Packaging

- Packaging must protect products from damage and rust. Any specialized packaging will be specified in the purchase order.
- TGS measures the on-time delivery performance of its suppliers. TGS expects 100% supplier on-time delivery. Suppliers falling below 90% on-time delivery may receive a corrective action request to address delivery issues.
- The supplier must notify TGS of any delays to the product/service.

Inspection

- In lieu of source inspection by TGS, the supplier is delegated final verification of product/service conformance, including verification of markings, labeling, and product/service quality.
- When specified, the supplier must agree to provide test specimens for design approval, inspection/verification, investigation, or auditing.
- The supplier must request a disposition from TGS for products deemed to be nonconforming prior to shipping. TGS may issue a corrective action request [CAR] for any non-conforming products received and supplier is required to respond within 15 days from the date of request. Lack of response may lead to supplier removal from the approved supplier list.
- The supplier must afford TGS, their representatives, and regulatory agencies the right of entry to verify product/service conformity and any relevant documented information to specified requirements at any level of the supply chain.

General Provisions

- Supplier must maintain a quality management system appropriate for the work to be performed unless TGS written waiver is received by supplier.
- The supplier must ensure that personnel performing work must be qualified and properly trained to perform assigned work, be aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.
- The supplier must notify TGS of changes to the product/service (process, supplier(s), and manufacturing facility) prior to order fulfillment.
- No outsourcing allowed without written approval. When specified, the supplier must agree to utilize TGS-designated or approved external providers, including processes, products, or services and obtain approval for their disposition.
- The supplier must ensure that counterfeit parts are not used in the fulfillment of the purchase order.
- The supplier must flow down to external providers' applicable requirements, including TGS requirements.
- The supplier must maintain complete product/service records for 10 years from the date of order fulfillment, including product/service disposition unless specified in writing from TGS Precision.
- In the event any suit or action is instituted to preserve or enforce TGS' rights hereunder, Supplier hereby agrees that TGS may recover, in addition to the costs and disbursements allowed by statute, all costs or expenses (including attorneys' fees) of collecting or attempting to collect any sums due TGS under any purchase order or other order instituted by TGS. Any legal proceeding arising out of or relating to these Terms and Conditions, whether in contract, tort or otherwise, may be brought in the courts of the State of Tennessee, County of Knox, or, if it has or can acquire jurisdiction, the United States District Court for the Eastern District of Tennessee, and each of the parties irrevocably submits to the exclusive jurisdiction of each such court in any such legal proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the legal proceeding shall be heard and determined only in any such court and

agrees not to bring any legal proceeding arising out of or relating to these Terms and Conditions in any other court. The parties agree that they may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any legal proceeding referred to in the first sentence of this section may be served on any party anywhere in the world.

- Any contract or purchase order into which these Terms and Conditions are incorporated shall be governed by the laws of the State of Tennessee without regard to its conflicts of law principles. Each party hereto hereby acknowledges and agrees that any controversy that may arise under these Terms and Conditions is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to these Terms and Conditions or the transactions contemplated hereby.

Confidentiality

- The parties will keep confidential any information (whether written or oral) of a confidential nature obtained via purchase order agreement and will not, without the written consent of the other party, disclose that information to any person (other than their employees or professional advisers). This provision will not apply to (a) any information which has been published other than through a breach of the agreement; (b) information lawfully in the possession of the recipient before the disclosure under the agreement took place; (c) information obtained from a third party who is free to disclose it; and (d) information which a party is requested to disclose and, if it did not, could be required to do so by law.