



Van-Am Tool and Engineering, LLC

5025 Easton Road
St. Joseph, MO 64507

Van-Am Defense Systems

504 1st Street
Waverly, IA 50677

Van-Am Vendor Terms and Conditions

1. ETHICAL AND SAFETY STANDARDS

- a) We expect these same commitments to be shared by all manufacturers of Van-Am merchandise. At a minimum, we require that all manufacturers of Van-Am merchandise meet the following standards:
 - i) Child Labor
 - ii) Manufacturers will not use child labor
 - iii) The term “child” refers to a person younger than 16 or, if higher, the local minimum age for employment or the age for completing compulsory education
- b) Manufacturers employing young persons who do not fall within the definition of “children” will also comply with any laws and regulations applicable to such persons.
- c) Involuntary Labor
 - i) Manufacturers will not use any forced or involuntary labor, whether prison, bonded, indentured or otherwise, or engage in Human Trafficking.
- d) Coercion and Harassment
 - i) Manufacturers will treat each employee with dignity and respect and will not use corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse. Sexual or any other kind of harassment is not acceptable. Van-Am expects that all manufacturing personnel are trained in harassment and related laws annually.
- e) Nondiscrimination
 - i) Manufacturers will not discriminate in hiring and employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, pregnancy, political opinion or disability.
- f) Health and Safety
 - i) Manufacturers will provide employees with a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring, at a minimum, reasonable access to potable water and sanitary facilities; fire safety; and adequate lighting and ventilation. Manufacturers will also ensure that the same standards of health and safety are applied in any housing that they provide for employees. Manufacturers will provide reasonable arrangements for women in connection with pregnancy, childbirth and nursing. Manufacturers will also provide reasonable safety precautions to protect pregnant women.
- g) Compensation
 - i) We expect manufacturers to recognize that wages are essential to meeting employees’ basic needs. Manufacturers will, at a minimum, comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime, maximum hours, piece rates and other elements of compensation, and provide legally mandated benefits. Manufacturers should provide equal pay and benefits for equal work.



- ii) Manufacturers will compensate employees for overtime hours at such premium rate as is legally required or, if there is no legally prescribed premium rate, at a rate at least equal to the regular hourly compensation rate.
- iii) Where local industry standards are higher than applicable legal requirements, we expect manufacturers to meet the higher standards.
- h) Protection of the Environment
 - i) Manufacturers will comply with all applicable environmental laws and regulations.
- i) Other Laws
 - i) Manufacturers will comply with all applicable laws and regulations, including those pertaining to the manufacture, pricing, sale and distribution of merchandise. All references to “applicable laws and regulations” in this Code of Conduct include local and national codes, rules and regulations as well as applicable treaties and voluntary industry standards and, if enforcement of local or national laws is suspended, we still expect Manufacturers to comply with the laws.
- j) These ethical standards supplement Van-Am’s QMS requirements. Compliance with applicable laws is required; Van-Am’s primary focus is on quality, safety, and conformity per AS9100D (current revision) and all flowed-down customer requirements.

2. SAFETY AND ACCIDENT PREVENTION

- a) In performing work under this Purchase Order/Contract, Seller shall
 - i) Conform to the specific safety requirements contained in the Purchase Order/Contract; and
 - ii) For those related activities not directly addressed by the Purchase Order/Contract, conform to the applicable safety rules prescribed by the installation; and
 - iii) Take such additional precautions as Van-Am, or the Purchase Order/Contracting Officer under Van-Am’s contract, may reasonably require for safety and accident prevention.
 - iv) Any violation of such rules and requirements, unless promptly corrected as directed by the Purchasing Manager, shall be grounds for termination of this Purchase Order/Contract in accordance with the default provisions hereof. Van-Am may, by written order, direct additional safety and accident standards as may be required under Van-Am’s Purchase Order/Contract, and any adjustments from such direction will be in accordance with the provisions of this Purchase Order/Contract entitled “Changes”.

3. CONTRACT FORMATION AND MODIFICATION

- a) This Order is Van-Am’s offer to Seller. This Order, including any documents incorporated herein by express reference, is intended for complete integration and there are no prior or contemporaneous different or additional agreements pertaining to the subject matter of the Order.
- b) Acceptance by Seller is expressly limited to the terms of this offer. Seller’s acceptance of Van-Am’s offer must be by commencement of performance or by written acknowledgment of this Order, but where Seller’s acceptance is by commencement of performance, Van-Am reserves the right to treat its offer as having lapsed before acceptance unless Van-Am is notified of Seller’s acceptance within a reasonable time. Any different or additional terms of Seller’s acknowledgment are hereby objected to and rejected by Van-Am, regardless of the form of such acknowledgment. Upon Seller’s acceptance, the Order and these terms shall be the complete and exclusive statement of the terms of the resulting contract.
- c) The Purchase Order/Contract (which term is intended to include Van-Am’s Purchase Order to Seller) shall not be modified by or interpreted by reference to any course of dealing or usage of trade and shall not be modified by any course of performance. No modification of the Purchase Order/Contract shall be effective unless in writing signed by the party to be charged with the modification. No modification shall bind Van-Am unless signed by an authorized Van-Am Purchasing Manager.
- d) If, in connection with this Purchase Order/Contract, Seller is represented (directly or indirectly) by any former Van-Am Procurement or Procurement decision-making employee whose termination from Van-Am is less than three (3) years



prior to the date of this Purchase Order/Contract, then this Purchase Order/Contract is voidable in the sole discretion of Van-Am.

- e) All documentation, notices, and oral communications concerning this Purchase Order / Purchase Order/Contract shall use the English language. If English communications are translated into another language for Seller's convenience, the meaning conveyed by the English version of the communication shall govern this Purchase Order / Purchase Order/Contract and the Parties' performance thereunder.

4. INSPECTION, ACCEPTANCE AND REJECTION

- a) All goods (which term throughout this Purchase Order/Contract includes, without limitation, processes, technical information, computer software, raw materials, components, intermediate assemblies, end products and, where applicable, services to be performed hereunder) shall be subject to inspection and test at all times and places, including the period of manufacture, by Van-Am, and also the Government if this is an order that is placed under a Government contract. Inspectors shall have access to all areas on the premises of the Seller or of Seller's subcontractors in which work on this Purchase Order/Contract is being performed.
- b) Van-Am, its customers, and regulatory authorities, per AS9100D and this Purchase Order/Contract, shall have the right of access to any area of Seller's or Seller's sub-tier suppliers' facilities where any part of the work is being performed. Seller shall provide all reasonable facilities and assistance at no additional cost.
- c) Seller and Seller's subcontractors shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost. Seller shall furnish to inspectors all information and data as may be reasonably required to perform their inspection. All goods to be delivered hereunder shall be subject to final inspection, test and acceptance by Van-Am at destination, notwithstanding any payment or inspection at source. Van-Am shall accept or give notice of rejection of goods delivered hereunder within a reasonable time after receipt of such goods. Acceptance by Van-Am shall not waive any rights that Van-Am might otherwise have at law or by express reservation in this Purchase Order/Contract with respect to any nonconformity.
- d) Any tender of goods which is nonconforming as to the quality or quantity or the delivery schedule shall constitute a breach of this Purchase Order/Contract and Van-Am shall have the absolute right to reject such goods, in whole or in part, and notify Seller thereof. In the event of such a tender, Van-Am shall be entitled to all remedies as provided by law, and in addition thereto shall have the right to do any or all the following:
 - i) To hold such nonconforming goods for a reasonable period at Seller's risk and expense pending a determination to accept or reject any or all thereof.
 - ii) To return such nonconforming goods to Seller at Van-Am's election and at Seller's risk and expense for replacement or correction.
 - iii) To accept such nonconforming goods subject to an equitable price reduction.
 - iv) To replace or correct such nonconforming goods and charge to Seller the cost occasioned to Van-Am thereby; or
 - v) To recover by offset or otherwise any and all expenses, costs, price reductions, and damages paid, incurred, or suffered by Van-Am as a result of such holding, return, replacement, correction, reductions, or rejections of nonconforming goods.
- e) Product that has been found nonconforming during any processing, machining or other contracted requirements shall not be reworked or repaired without written consent from Van-Am's quality or Purchasing Manager.
- f) Seller shall immediately notify Van-Am of any nonconformance and shall not ship nonconforming products without prior written approval from Van-Am's Quality Manager or Purchasing Manager. Disposition of nonconforming product shall follow Van-Am's instructions per QP 8.7-Control of Nonconforming Outputs. Any rework or repair requires Van-Am's written consent prior to shipment.

5. QUALITY CONTROL AND CONTRACTUAL COMPLIANCE

- a) Seller shall provide and maintain a quality control system acceptable to Van-Am for the items purchased under this Purchase Order/Contract, and Seller shall permit Van-Am to review procedures, practices, processes and related documents to determine such acceptability.



- b) It is Van-Am's policy to survey all sellers periodically to ascertain compliance with requirements which have been made part of this Purchase Order/Contract.
- c) Seller agrees to provide access to its premises for, and to cooperate with, Van-Am in the conduct of those surveys.
- d) Seller shall maintain a Quality Management System (QMS) that meets the requirements of AS9100 (or ISO 9001 as specified in the Purchase Order) and shall flow down all applicable Van-Am and customer requirements (including AS9100D) to its sub-tier suppliers.
- e) Seller's personnel shall be made aware of their contribution to product and service conformity, product safety, and the importance of ethical behavior.
- f) Seller shall notify Van-Am in writing and obtain prior approval for any changes that may affect quality, including but not limited to changes in product, process, sub-tier suppliers, manufacturing location/facility, or key personnel. This includes any change that could affect counterfeit-part prevention controls.
- g) All shipments shall be accompanied by a Certificate of Conformance (C of C) signed by an authorized representative of Seller. The C of C shall accompany all shipments and reflect the actual lot received.
- h) Special Processes, Critical Items, and Key Characteristics. Where Van-Am or the customer has identified special processes, critical items, or key characteristics, Seller shall control these per QP 8.1.1-Operational Risk Management and QP 8.5.1-Control of Production and Service Provision. Seller shall provide objective evidence of validation and control upon request.

6. WARRANTY

- a) Inspection and acceptance of any goods by Van-Am shall not be deemed to alter or affect the obligations of Seller or the rights of Van-Am under the warranties herein or as may be provided by law.
- b) Seller warrants that all goods furnished hereunder will conform to the requirements of this Purchase Order/Contract (including all descriptions, specifications and drawings made a part of this Purchase Order/Contract), will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by Van-Am, free from defects in design. Van-Am's approval of designs or specifications furnished by Seller shall not relieve Seller of its obligations under this warranty.
- c) In addition to its other remedies, Van-Am may, at Seller's expense, require prompt correction or replacement of any goods failing to meet Seller's warranties herein. Goods corrected or replaced by Seller shall be subject to all the provisions of this Purchase Order/Contract in the manner and to the extent as goods originally furnished hereunder.
- d) All warranties, including special warranties specified elsewhere herein, shall inure to Van-Am, its successors, assignees, customers and users of its products.

7. DELIVERY

- a) Seller shall strictly adhere to the delivery and completion schedules specified in this Purchase Order/Contract. If at any time Seller believes it may be unable to comply with the delivery or completion schedules, Seller shall immediately notify Van-Am's Purchasing Manager in writing of the probable length of any anticipated delay, the reasons for it and shall continue to notify Van-Am's Purchasing Manager of any change in the situation. In the event of such notification or of an actual failure by Seller to comply with the delivery or completion schedules, Van-Am may, in addition to all other remedies, require Seller, at Seller's expense, to ship goods via airfreight next day or expedited routing at Van-Am's discretion to avoid or minimize delay.
- b) In the event of early delivery, Van-Am may store goods at Seller's expense, unless delivery in advance of the contractual commitment date is expressly authorized within this Purchase Order/Contract.
- c) The quantities specified for delivery on this Purchase Order / Purchase Order/Contract are the only quantities required by Van-Am. Therefore, if Seller delivers quantities in excess of those specified in this Purchase Order / Purchase Order/Contract, Van-Am shall not be required to make any payment for the excess goods and, at Van-Am's election, may keep or return the excess goods at Seller's risk and expense.

8. CHANGES



- a) Supplier change notification timing: Seller shall provide Van-Am with written notice of any proposed change affecting product form, fit, function, manufacturing location, ownership, special process source, sub-tier source, inspection method, software, tooling, or quality system at least ninety (90) days before implementation, unless a shorter period is approved in writing by Van-Am.
- b) Revalidation / first article trigger: When a change may affect conformity, Seller shall not implement the change until required validation, requalification, delta FAI, or other objective evidence of continued conformity has been completed and accepted by Van-Am.
- c) Van-Am may, at any time, exclusively in a writing signed by its authorized Purchasing Manager, and without notice to sureties, make changes within the general scope of this Purchase Order/Contract which affect the:
 - i) Drawings, designs, or specifications of goods being specially manufactured for Van-Am;
 - ii) Method of shipment or packing;
 - iii) Place of delivery; or
 - iv) Delivery schedules.
- d) If any such change causes an increase or decrease in the cost, or the time required for performance of this Purchase Order/Contract, an equitable adjustment shall be made in the contract price, delivery schedule or both, and the Purchase Order/Contract shall be modified in writing accordingly.
- e) Any claim by Seller for adjustment under this Article must be asserted in writing to Van-Am's Purchasing Manager not later than thirty (30) days after the date of receipt by Seller of the written change authorization, or within such extension as Van-Am may grant in writing.
- f) Van-Am may, in its sole discretion, consider any such claim regardless of when asserted.
- g) Such claim shall be in the form of a complete change proposal fully supported by factual information.
- h) Pending any such adjustment, Seller will diligently proceed with the Purchase Order/Contract as modified.
- i) Where the cost of property made excess or obsolete as a result of a change is included in Seller's claim for adjustment, Van-Am shall have the right to direct the manner of disposition of such property.
- j) Van-Am shall have the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim.

9. TERMINATION FOR DEFAULT

- a) Van-Am may terminate the whole or any part of this Purchase Order/Contract in any of the following circumstances:
 - i) If Seller fails to deliver the goods or to perform the services required by this Purchase Order/Contract within the time specified herein, or any extension thereof granted by Van-Am in writing; or
 - ii) If Seller fails to perform any of the other provisions of this Purchase Order/Contract or so fails to make progress as to endanger performance of this Purchase Order/Contract in accordance with its terms, and in either of these two (2) circumstances does not cure such failure within a period of ten (10) days after receipt of notice from Van-Am specifying such failure; or
 - iii) In the event of suspension of Seller's business, insolvency, institution of bankruptcy, liquidation proceedings by or against Seller, appointment of a trustee or receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of creditors.
- b) Van-Am may require Seller to transfer title and deliver to Van-Am, in the manner and to the extent directed by Van-Am
 - i) any completed goods; and
 - ii) such partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as Seller has produced or acquired for the performance of this Purchase Order/Contract, including the assignment to Van-Am of Seller's subcontracts; and Seller shall protect and preserve property in possession of Seller in which Van-Am has an interest.
- c) Payment for completed goods delivered to and accepted by Van-Am shall be at the contract price. Payment for manufacturing materials delivered to and accepted by Van-Am and for the protection and preservation of property shall be at a price determined in the same manner as provided in Article 8 hereof, except that Seller shall not be entitled to profit.



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- d) Van-Am may withhold from Seller monies otherwise due Seller for completed goods and/or manufacturing materials in such amounts as Van-Am determines necessary to protect Van-Am against loss due to outstanding liens or claims against said goods.

10. VAN-AM PROPERTY

- a) Seller shall keep all property furnished by Van-Am and all property to which Van-Am acquires title by virtue of this Purchase Order/Contract segregated and clearly marked and will maintain a complete inventory thereof.
- b) Seller assumes all risk of loss, destruction or damage to such property while in Seller's care, custody or control.
- c) Seller will immediately notify Van-Am's Purchasing Manager in writing of any such loss, destruction or damage.
- d) Except for property incorporated in delivered end products, Seller will, upon termination or completion of this Purchase Order/Contract, deliver such property, as directed by Van-Am, in good condition subject to ordinary wear and tear and normal manufacturing losses.

11. NONDISCLOSURE; TECHNICAL DATA FOR CERTIFICATION, SIMULATION, TRAINING, OR INTERFACE

- a) The information contained in reports, drawings, documents, electronic data sets or other records which are furnished to Seller by Van-Am shall not be disclosed by Seller to others and shall not be used for purposes other than the performance of this Purchase Order/Contract without Van-Am's written consent.
- b) The information furnished to Van-Am by Seller in reports, drawings, documents, or other records shall not be disclosed by Van-Am to others except as provided herein and shall not otherwise be used for purposes other than the performance of this Purchase Order/Contract without Seller's written consent.
- c) Cybersecurity and controlled data: Seller shall protect Van-Am technical data, export-controlled information, and any controlled unclassified information in accordance with applicable contractual, statutory, and regulatory requirements, including appropriate access controls, incident reporting, and secure transmission and storage practices. Upon request, Seller shall provide reasonable evidence of such controls.
- d) Debarment and sanctions: Seller represents and warrants that it is not suspended, debarred, proposed for debarment, or otherwise ineligible to perform on U.S. Government contracts or subcontracts, and shall immediately notify Van-Am if that status changes.
- e) Each party will recognize the other party's restrictive markings and impose such restrictions upon third parties, provided that such markings purporting to cover information already within a recipient's knowledge or which is obtainable from another source without restrictions or which for any reason is not protectable by law shall not be binding upon the recipient.
- f) Upon request, Seller shall provide Van-Am at no additional charge such existing technical data pertaining to Seller's Product as Van-Am deems necessary for certification, training, simulation, or interface purposes. In support of those purposes only, Van-Am may furnish such Seller data to third parties, in which case Van-Am will impose Seller's restrictive markings (if any) in accordance with Subparagraph c, above. In the alternative and upon Van-Am's request, Seller shall provide such data directly to Van-Am-designated third parties also at no extra charge.
- g) Nothing in this provision shall limit either party's right to enter into data exchange agreements with each other or third-party recipients of the data to ensure further protection of a party's proprietary interests in such technical data. Nothing in this provision shall limit Seller's right to compensation if necessary data must be created to support the certification, training, simulation, or interface technical objective.
- h) Seller shall include this provision, exclusive of Paragraph b, in all its lower-tier subcontracts issued in support of this Purchase Order/Contract, and this provision shall have precedence over any other provisions herein relating to the transfer of Seller's technical data.

12. SUBCONTRACTING

- a) Seller will not subcontract without Van-Am's prior written consent for the design, development or procurement of the whole or any substantial portion of any goods ordered hereunder. This limitation shall not apply to Seller's purchases of standard commercial supplies or raw material.



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- b) Seller shall flow down all applicable Van-Am and customer requirements—including these Vendor Terms and Conditions, AS9100D (where specified), special/critical/key characteristics, product safety requirements, counterfeit-part prevention controls, and configuration management—to its sub-tier suppliers. Seller remains fully responsible for sub-tier conformity and shall provide Van-Am with right of access to sub-tier facilities upon request.

13. SUSPENSION OF WORK

- a) Van-Am's Purchasing Manager may, by written order, suspend all or part of the work to be performed under this Purchase Order/Contract for any period not to exceed ninety (90) days. Within such period, or any extension thereof to which the parties may agree, Van-Am shall either:
 - i) Cancel such suspension; or
 - ii) Terminate the work covered by suspension. Seller shall resume work whenever a suspension is cancelled or expires.
- b) An equitable adjustment shall be made to the delivery schedule or contract price, or both, if:
 - i) The suspension results in a change in Seller's cost of performance or ability to meet the contract delivery schedule; and
 - ii) Seller asserts a claim for adjustment within thirty (30) days after the end of the period of suspension.

14. NOTICES

- a) Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order/Contract, Seller shall immediately give notice thereof, and all relevant information with respect thereto, and shall continue to notify Van-Am of any material changes in the information required hereunder. Seller agrees to insert the substance of this Article in any subcontract hereunder wherein a labor dispute may delay the timely performance of this Purchase Order/Contract.
- b) Any notice submitted by Seller, unless otherwise specified within this Purchase Order/Contract, shall be in writing and directed to the Van-Am Purchasing Manager indicated on the face of the Purchase Order / Purchase Order/Contract.

15. DISPUTES

- a) Pending the final resolution of any dispute involving this Purchase Order/Contract, Seller agrees to proceed with performance of this Purchase Order/Contract, including the delivery of goods, in accordance with Van-Am's instructions.
- b) Seller shall submit to Van-Am's authorized Purchasing Manager a written demand for Van-Am's final decision regarding the disposition of any dispute between the parties relating to this Purchase Order/Contract, unless Van-Am, on its own initiative, has already rendered such a final decision. Any Van-Am final decision shall be expressly identified as such, shall be in writing, and shall be signed by Van-Am's authorized Purchasing Manager or Director of Quality, except that Van-Am's failure to render a final decision within ninety (90) days after receipt of Seller's demand shall be deemed a final decision adverse to Seller's contentions.
- c) Van-Am's final decision shall be conclusive and binding regarding the dispute unless Seller commences an action to contest such decision within ninety (90) days following the date of the final decision or one (1) year following the accrual of the cause of action, whichever is later.
- d) Seller shall cooperate fully with Van-Am in seeking a resolution of any dispute involving this Purchase Order/Contract under the disputes procedure applicable to the Government prime or higher-tier contract and if Van-Am elects to follow such procedures Seller shall not be entitled to demand a final decision under Paragraph b. above until such resolution. Seller shall be bound by the final outcome of the disputes procedure if:
 - i) Van-Am has afforded Seller an opportunity to participate in Van-Am's conduct of the dispute; or
 - ii) Van-Am, having decided to discontinue its own processing of the dispute, has afforded Seller an opportunity to assume the processing of the dispute in Van-Am's name.
- e) Van-Am and Seller shall bear their own costs of processing the dispute.

16. WAIVER AND SEVERABILITY



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- a) Any action or inaction by Van-Am or the failure of Van-Am on any occasion to enforce any right or provision of this Purchase Order/Contract shall not be construed to be a waiver by Van-Am of its rights hereunder, and shall not prevent Van-Am from enforcing such provision or right on any future occasion. A determination that any portion of this Purchase Order/Contract is unenforceable or invalid shall not affect the enforceability or validity of any of the remaining portions of this Purchase Order/Contract.

17. RIGHTS AND REMEDIES

- a) The rights and remedies of Van-Am herein are cumulative and are in addition to any other rights or remedies that Van-Am may have at law or in equity.

18. PRECEDENCE

- a) In the event of any inconsistency between the articles, attachments, specifications or provisions which constitute this Purchase Order/Contract, the following order of precedence shall apply:
 - i) Special terms and conditions.
 - (1) General terms and conditions contained here.
 - (2) Specifications; and
 - (3) All other attachments incorporated herein by reference.
- b) Van-Am's specifications shall prevail over any subsidiary documents referenced therein. Seller shall not use any specification in lieu of those contained in this Purchase Order/Contract without written consent of Van-Am's authorized Purchasing Manager.

19. INDEMNIFICATION AND HOLD HARMLESS

- a) Patent Trademark and Copyright Indemnity. Seller agrees to indemnify and hold harmless Van-Am, its customers and users of its products, against any expense, loss or liability for any actual or alleged infringement of any patent, trademark or copyright, arising from or related to the use, sale, manufacture or disposal of the goods furnished to Van-Am under this Purchase Order/Contract. Upon receipt of timely notice of any claim or suit alleging such infringement, Seller agrees to defend Van-Am, its customers and users of its products, or any of them, at Seller's expense.
- b) Seller shall also indemnify, defend and hold harmless Van-Am from and against all losses, costs, fees and damages arising, directly or indirectly, from any actual or alleged failure by Seller to comply with any of the statutes, rules, regulations and orders herein.
- c) Seller shall further defend, indemnify and hold harmless Van-Am and all of its parent companies, subsidiaries, affiliates and subcontractors, including their respective officers, directors, employees, principals, partners, agents, successors and assigns, (collectively "Indemnitees") from and against any and all actions, suits, arbitrations, administrative proceedings, demands and claims for any and all damages, injunctive or any other relief based on any cause of action whatsoever (sometimes individually "Claim" and sometimes collectively "Claims"), that may be brought or made against, or incurred by, Indemnitees on account of liabilities, damages, losses, cost, expenses, settlements, judgments, awards, and governmental penalties and sanctions, including reasonable attorneys' fees and experts' fees, including those attributable to bodily injury (including death), personal injury and property damage (sometimes individually "Liability" and sometimes collectively "Liabilities"), caused by, arising out of, or contributed to by any negligence, acts, errors, omissions or conduct of Seller, its employees, subcontractors, or agents, related in any way to providing Goods, Materials, Parts or Supplies described herein, except to the extent the Claims or Liabilities are determined to have been caused by the negligence or the willful misconduct of Van-Am.

20. INSURANCE



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- a) Certificates and renewal evidence: Seller shall furnish certificates of insurance and required endorsements before commencing work, before entering any Van-Am or customer site, and upon each policy renewal. Failure to maintain or provide required insurance documentation is a material breach.
 - b) Seller shall carry and maintain at their own expense the following insurance requirements:
 - i) Workers Compensation/Employer's Liability for \$500,000 for bodily injury per accident and \$500,000 for bodily injury by disease per employee and policy active pursuant to the Worker's Compensation laws for the state where the Work is being performed. The policy will include a waiver of rights of recovery (where allowable by law).
 - ii) Commercial General Liability Insurance shall name Van-Am as an additional insured including products liability coverage, ongoing operations, or completed operations on a primary and non-contributory basis using Form CG 20 10 11 85 (or its equivalent). Policy will include a waiver of rights of recovery. Policy will be on an occurrence policy with \$1,000,000 per occurrence and \$2,000,000 aggregate limits of protection. Seller shall maintain in force continuously without interruption for a period of three years after completion date.
 - iii) Automobile Liability Insurance for all owned, hired, non-owned vehicles and policy will name Van-Am as an additional insured on a primary and non-contributory basis. Policy will also include a waiver of rights of recovery. Policy will have \$1,000,000 combined limits of protection.
 - iv) Seller shall carry and maintain an umbrella policy with limits of \$1,000,000 per occurrence. Policy will name Van-Am as an additional insured on a primary and non-contributory basis. Policy will include a waiver of rights of recovery.
 - v) Seller agrees to provide 30-day notification to Van-Am of any cancellation or material alteration of any above policy. Seller shall provide receipt of the Certificates of insurance with actual endorsements required herein. All insurance shall be placed with insurers maintaining an A.M. Best rating of no less than A-.

21. PRICE WARRANTY

- a) Seller warrants that the price of the goods to be furnished to Van-Am under this Purchase Order/Contract do not exceed the price charged by Seller to any other customer purchasing the same goods in like or smaller quantities and under similar conditions of purchase.

22. MATERIALS FURNISHED AND PROPERTY RIGHTS

- a) If Van-Am furnishes any material for fabrication hereunder, Seller agrees:
 - i) Not to substitute any other material in such fabrication without Van-Am's written consent.
 - ii) That title to such materials shall not be affected by incorporation in or attachment to any other property; and
 - iii) That all such material or replacement material furnished at Van-Am's expense shall be returned in the form of products (except that which became normal industrial waste) or unused material.
 - iv) Seller shall inspect any such material furnished by Van-Am and shall have the right to reject nonconforming material upon inspection, but in the event of losses or attrition thereafter, Seller shall be responsible for replacing such material at its own expense. Inaccuracies, out of tolerance conditions or inadequacies in materials which are accepted by Seller shall not excuse performance in strict accordance with the applicable specifications; provided, however, that if such materials were furnished by Van-Am with such deficiencies, Seller shall be entitled to an equitable adjustment, if any, pursuant to the changes provision of this Purchase Order/Contract.
 - v) Seller agrees that it will use all designs, tools, patterns, drawings, specifications, other information and equipment, title to which is in Van-Am, only in the performance of this Purchase Order/Contract and not otherwise, unless Van-Am's prior written consent has been obtained.

23. PACKING



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- a) All items are to be packed in suitable containers with appropriate dunnage for protection to withstand the normal rigors of standard shipping methods (UPS / FedEx) during shipment and storage, and in accordance with applicable specifications. Each container of a multiple container shipment shall be identified:
 - i) To show the number of the containers and the total number of containers in the shipment, and
 - ii) The number of the containers on which the packing sheet has been enclosed.
 - b) All shipments by Seller or its subcontractors must include packing sheets containing Van-Am's Purchase Order/Contract number, quantity, part number/size, description of the items shipped, and appropriate evidence of inspection. Materials for different contracts shall be listed on separate packing sheets.
 - c) All items shall be identified and traceable. Preservation shall meet necessary requirements, including FOD prevention.

24. SHIPPING INSTRUCTIONS

- a) Shipments must be made as specified on the face of the Purchase Order/Contract, except as subsequently modified in writing by Van-Am or otherwise directed in writing by Van-Am's Traffic Department.

25. CLEARANCE OF MATERIALS INTENDED FOR PUBLIC RELEASE

- a) Seller shall issue no news release (including photographs and files), public announcement, advertisement, denial, or confirmation concerning all or any part of the subject matter of this Purchase Order/Contract or any phase of any program hereunder without the prior written approval of Van-Am

26. RECORDS RETENTION

- a) Records must be retained for a minimum of three (3) years after final delivery or longer if required by customer contract, statutory, or regulatory requirements (including AS9100D).
- b) Records shall be made available to Van-Am, its customers, or regulatory authorities upon request per QP 7.5-Control of Documented Information.

27. COUNTERFEIT PARTS PREVENTION

- a) Escape notification and containment: Seller shall notify Van-Am within twenty-four (24) hours of discovering any actual or suspected shipped nonconformity, counterfeit concern, escape, or regulatory issue affecting delivered product, and shall immediately implement containment to prevent further shipment.
- b) Corrective action timing: Unless otherwise approved in writing by Van-Am, Seller shall provide initial containment within twenty-four (24) hours, a root cause and corrective action plan within ten (10) business days, and objective evidence of implementation within thirty (30) days.
- c) Lot-level traceability: Seller shall maintain traceability by lot, heat, batch, serial number, or other applicable traceability unit for all materials and processes where required by drawing, specification, customer flowdown, or industry standard, and certificates of conformance shall be traceable to those records.
- d) Business continuity: For critical products or approved special processes, Seller shall maintain business continuity and disaster recovery planning reasonably sufficient to support uninterrupted performance and shall provide summary information to Van-Am upon request.
- e) Seller shall implement controls to prevent the use of counterfeit parts/material in accordance with QP 8.1.4-Prevention of Counterfeit Parts and SAE AS6174/AS5553 (as applicable). Seller shall only procure from original manufacturers, authorized distributors, or Van-Am-approved sources.
- f) Suspect or confirmed counterfeit items shall be immediately quarantined, reported to Van-Am, and not shipped without Van-Am's prior written approval. Seller shall flow this requirement to all sub-tier suppliers.
- g) Seller shall provide certificates of conformance and, upon request, additional traceability documentation (e.g., manufacturer certificates, test reports) for all parts/material.

28. PRODUCT SAFETY



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- a) Seller shall maintain product safety awareness and controls throughout the supply chain per AS9100D 8.1.3. Any safety-critical items or processes shall be identified and controlled in accordance with Van-Am's instructions and QP 8.1.1-Operational Risk Management.