



QMSD-1008 TERMS & CONDITIONS

Rev. 1.1
Effective: 7/11/2020

All T&C (general and quality) apply to all POs unless otherwise specified. Supplier will ensure that its employees and people working on its behalf are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.

GENERAL: TERMS AND CONDITIONS –

1) Acceptance of Purchase Order

This Purchase Order supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and, together with any Exhibits, Attachments, and/or Change Orders issued hereunder, constitute the entire agreement between the parties. This is an agreement that the buyer's (Intelligent Cutting Solutions) offers to the seller (vendor/supplier) has been accepted. Commencement of work on behalf of the seller, in any way; is evidence to agreement of this order as written. Acknowledgement or acceptance of payment shall be considered as an agreement to this order.

2) Termination of Purchase Order

- a) Intelligent Cutting Solutions may terminate a purchase order at any time by written notice to the seller.
- b) Upon receipt of termination, in writing and from Intelligent Cutting Solutions. The seller shall immediately: (I) stop all work; (II) Send a list of all purchased items, completed work and partial work (III) Deliver any completed work; and Deliver any Work-In-Process if requested by Intelligent Cutting Solutions.
- c) If Intelligent Cutting Solutions does cancel an order, Intelligent Cutting Solutions will compensate the seller for all material, estimated labor and reasonable profits.

3) Gratuities/Kickbacks

No gratuities (in the form of entertainment, gifts or otherwise) or monetary kickbacks shall be offered or given by SELLER to any employee of Intelligent Cutting Solutions for the purpose of obtaining or rewarding favorable treatment as a supplier. This prohibition does not apply to customary business courtesies of a normal intrinsic value (defined as \$50.00 or less) such as a lunch or dinner meal while discussing business, or snacks and refreshments provided during a business meeting.

4) Quality Control Issues

SELLER shall provide timely notification (within 24 hours) to Intelligent Cutting Solutions of known nonconforming articles caused by internal or external processes that may affect the



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quality and (or) airworthiness of the Article. The report shall include, but is not limited to, a description of the full technical discrepancy, articles affected, part numbers and dates the article was delivered to Intelligent Cutting Solutions. Containment actions must be initiated immediately by the seller.

5) Substitutions

Seller shall not substitute any material, processes or any other applicable article as required in this purchase order unless approved by, in writing by Intelligent Cutting Solutions

6) Timely Performance

- a) Timely performance according to this purchase order is imperative
- b) Failure of the seller to deliver goods on time according to this purchase order will be considered a breach of this agreement
- c) If the seller does anticipate a failure to deliver on time, Intelligent Cutting Solutions must be notified in writing. At the time of receiving this purchase order, it is the seller's responsibility to observe and confirm the due date on this purchase order,

7) Indemnity Against Infringement

Unless Intelligent Cutting Solutions is associated with full design and engineering of, materials, services, equipment, parts and other items provided by SELLER pursuant to this Purchase Order, the seller shall at its expense defend, indemnify, and hold Intelligent Cutting Solutions and its customers harmless against any claim of patent, copyright, trademark or trade secret infringement provided that timely notice of such claim is given to Seller.

8) Right of Entry

Intelligent Cutting Solutions may send its representatives to the seller's facility during the fabrication period to review project status. Representatives of Intelligent Cutting Solutions, its customer, and/or Government agencies may inspect and evaluate, at all stages of the supply chain, the Seller's quality system, data, all records, equipment, personnel, completed parts, sub-assemblies, assemblies and work-in-process.

9) Warranties



QMSD-1008 TERMS & CONDITIONS

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Seller will warrant to Intelligent Cutting Solutions, and Intelligent Cutting Solutions's customers a product, its related material, services and processes for a period of 36 months after delivery.

10) Property of Intelligent Cutting Solutions

- a) All drawings, tools, jigs, fixtures, dies that are supplied to and/or paid for by Intelligent Cutting Solutions are and will become the property of Intelligent Cutting Solutions.
- b) All drawings, tools, jigs, fixtures, dies that are supplied to and/or paid for by Intelligent Cutting Solutions shall be returned to Intelligent Cutting Solutions with traceable documentation in the form of pack lists.

11) Governing Law

State and Federal Courts in the State of Connecticut shall have exclusive jurisdiction over any disputes or claims arising out of this agreement, the interpretation of which shall be governed by the substantive laws of the State of Connecticut. Seller consents to the jurisdiction of such courts.

12) Force Majeure

The obligations of both the seller and Intelligent Cutting Solutions under this agreement are subject to any delays or cancellations caused by any condition or occurrence beyond the control of the performing party, including but not limited to strikes, fires, riots, wars, acts of God, inability to obtain materials or intervening government regulation.

13) Code of Conduct

Intelligent Cutting Solutions holds itself to a high standard of ethical, moral, fair and impartial qualities. If the seller believes and has reason to do so, that an employee of Intelligent Cutting Solutions has or is engaged in un-ethical behavior, the seller shall notify Intelligent Cutting Solutions immediately. It is the expectation of Intelligent Cutting Solutions the seller will also conduct its business in the same manner, including upholding their contribution to product or service conformity, product safety and the importance of ethical behavior.

14) Proprietary Information

The seller shall keep confidential all data, drawings, tooling, process, software, equipment and any other items that are a part of this purchase order. Seller shall ensure that's its vendors



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also adhere to the same standards of any work that may be subcontracted that is a part of this purchase order.

15) Defense Priority Rating.

When an order is a rated order, certified for National Defense use, the Seller shall follow all the requirements of the Defense Priorities and Allocations Systems Regulation (15 CFR Part 700). Including accepting or rejecting this Contract in writing within ten working days after receipt of DO rated or five days after receipt of DX rated. If rejected, the reason(s) for such rejection shall be included in the notice to the Buyer.

16) Export/Import Controls (ITAR)

Intelligent Cutting Solutions is International Traffic in Arm Regulations (ITAR) and Export Administration Regulations (EAR) compliant. Documents may contain technical data that is controlled in compliance with the ITAR and/or EAR. Without approval from the U. S. Department of State, the transfer or release of this technical data to a foreign person or entity, whether manufactured within the United States or abroad, is strictly prohibited. More information on ITAR and EAR compliance can be found at the following web address: www.pmdtc.state.gov/.

17) Counterfeit Parts Avoidance

Supplier shall ensure that controls are in place to reduce and mitigate the risk of counterfeit components and/or assemblies from Intelligent Cutting Solutions in compliance with AS6174, or equivalent applicable standard, and their Quality Management System. This procedure outlines the process of procuring parts from reliable sources, assuring authenticity and conformance of procured parts, controlling parts identified as counterfeit and reporting counterfeit parts to Intelligent Cutting Solutions and Government Investigative authorities. Any questions should be referred to Intelligent Cutting Solutions.

18) Foreign Object Damage (FOD)

Supplier shall comply with NAS412, or equivalent standard, to prevent Foreign Object Damage (FOD) to manufactured products. Supplier shall establish and maintain an effective FOD prevention program through a Continual Improvement approach that proactively addresses and controls the events (conditions and actions) leading to FOD.



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19) Record Retention

The supplier shall retain all books, documents, papers, and records pertaining to the purchase agreement for a period of ten (10) years after final payment on the purchase agreement during which time data shall be available at the Supplier's facility at no cost to Intelligent Cutting Solutions (ICS). The Supplier may use electronic media storage in lieu of paper records.

Revision History and Approval

Rev.	Nature of changes	Approval	Date
1	Original release.	Ibrahim Ibrahim	4/1/2020
1.1	Added clause 19 "Record Retention"	Ibrahim Ibrahim	7/11/2020