



TERMS AND CONDITIONS FOR SUPPLIERS

DEFINITIONS:

- a) **Agreement** refers to the Purchase Order (PO) issued by RBB, including all attachments and referenced documents.
- b) **Authorized Purchasing Agent** refers to RBB representative whose name appears on the Purchase Order.
- c) **RBB** refers to RBB Systems having a place of business at 1909 Old Mansfield RD Suite A. Wooster, OH 44691
- d) **Supplier** refers to the entity that is receiving the Purchase Order and fulfilling the actual Purchase Order. The Supplier may be a Distributor, Manufacturer, Producer, Retailer, Provider of a Service or Information, or any other entity empowered to sell the goods or services contracted by the Purchase Order.

ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS: Supplier's acknowledgement, acceptance of payment, or commencement of performance shall constitute Supplier's unqualified acceptance of RBB's Terms and Conditions. Failure to meet terms and conditions of Purchase Order may result in delayed payment of invoice, cancellation of order, return of merchandise at Supplier's expense, or reduction in future orders. Supplier is required to flow down to sub-tier Suppliers all applicable requirements of this Purchase Order, including key characteristics where required.

GENERAL PARTS GUIDELINES: All Purchase Orders must be acknowledged within twenty-four (24) hours of receipt via email to Confirmations@RBBSystems.com and all invoices must be submitted to accounting@RBBSystems.com with the applicable Purchase Order number referenced. RBB Systems accepts delivery up to fourteen (14) days early and zero (0) days late; shipments outside this window require prior written approval and may be subject to rejection or corrective action. SMT components shall not be shipped loose or in bulk and must be supplied on full reels, continuous cut tape, trays, or tubes; when cut tape is ordered, components must be provided on continuous, unbroken strips unless otherwise approved. Full-length tubes and unbroken trays shall be provided whenever possible, and all components packaged in tubes must have polarity markings oriented in a single consistent direction. PCB X-Outs shall not exceed ten percent (10%) of the total order quantity without prior written approval; panels containing X-Outs must be clearly identified and packaged separately from fully conforming panels. Unless otherwise approved, panel array sizes of 1–12 boards are limited to a maximum of one (1) X-Out per panel, and array sizes of 13 or more boards are limited to a maximum of two (2) X-Outs per panel.

RIGHT OF ACCESS: Acceptance of this Purchase Order by the Supplier grants representatives from RBB, RBB's customers (only if needed or authorized by RBB), and regulatory agencies the right of entry to the Supplier's premises and right of access to Supplier's records for the purpose of verifying that purchased materials or processes conform to specified requirements.

COMPLIANCE WITH LAWS AND REGULATIONS: Supplier warrants that he has been duly authorized to do business in the jurisdiction in which the work is to be performed; that he has obtained at no cost to RBB or RBB's customer(s) all necessary and required licenses and permits required in connection this Purchase Order, and that he will comply fully with all pertinent laws, decrees, regulations, and labor standards of such country or countries during the performance of this Purchase Order.

QUALITY SYSTEM: The Supplier must maintain a documented Quality System (manual). This documented Quality System must include provisions for the Supplier to manage the competence, awareness, and training of all personnel. RBB reserves the right to request evidence of a documented quality system of the Supplier and applicable sub-tier Suppliers.

WORKMANSHIP: All components must be manufactured, inspected, and tested in a documented and controlled process that meets or exceeds the IPC-A-620 class 2 and/or IPC-A-610, Class 2. Objective evidence of workmanship instructions, inspection records, and training records shall be retained and available by the supplier for RBB's review upon request. Where applicable, statistical methods for product acceptance may be used should the supplier demonstrate appropriate justification for these methods. Special Instructions for product acceptance, special requirements, critical items, or key characteristics will be stated on the purchase order where appropriate.

SOLDERING REQUIREMENTS IPC J-STD-001: Any components requiring solder operations shall comply with IPC J-STD-001E, Class 2 unless otherwise specified in PO. Inspection and training records shall be retained for a minimum of 7 years and made available at RBB's request. All associated documents in IPC J-STD-001E are applicable.

ESD PROTECTION: Any components that are ESD sensitive shall be manufactured and handled in accordance with ANSI/ESD-S20.20.

DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS)

When a Purchase Order issued by RBB is identified as a rated order under the Defense Priorities and Allocations System (DPAS) pursuant to 15 CFR Part 700, Supplier shall comply with all applicable requirements of the Defense Production Act of 1950, as amended, and its implementing regulations.

In accordance with AS9100 requirements for control of externally provided processes, products, and services, Supplier shall:

- a) Mandatory Acceptance:** Accept or reject rated orders strictly in accordance with 15 CFR §700.13 within the required timeframes (DX rated orders within ten (10) working days; DO rated orders within fifteen (15) working days, unless otherwise specified for emergency preparedness orders). Rejection shall be in writing and shall state the specific regulatory basis for rejection.
- b) Preferential Scheduling:** Provide preferential scheduling and performance for rated orders over unrated orders, and DX rated orders over DO rated orders, as required by 15 CFR §700.14. Supplier shall reschedule lower-rated or unrated work as necessary to ensure compliance with required delivery dates.
- c) Non-Discrimination:** Not discriminate against rated orders in any manner, including but not limited to pricing, allocation of materials, lead time, production priority, administrative processing, or application of differing terms and conditions.
- d) Flow-Down of Requirements:** Flow down the complete priority rating, required delivery date(s), certification statement, and all applicable DPAS regulatory requirements to all sub-tier suppliers involved in fulfillment of the rated order. Suppliers shall ensure sub-tier compliance and remain fully responsible for performance of all sub-tier suppliers.
- e) Delivery Risk Notification:** Immediately notify RBB in writing upon identification of any condition that may impact timely performance of a rated order. Notification shall include root cause, mitigation actions, and a proposed recovery schedule.
- f) Records Retention and Access:** Maintain accurate and complete records of all transactions related to rated orders for a minimum of three (3) years in accordance with 15 CFR §700.91, and longer if otherwise required by Purchase Order or contract. Such records shall be made available to RBB, RBB's customers, and regulatory authorities upon request.
- g) Change Control:** Notify RBB in writing prior to implementing any change in product, process, manufacturing location, ownership, or quality management system status that may affect fulfillment of a rated order.

Failure to comply with applicable DPAS requirements, including failure to properly flow down priority ratings or provide preferential scheduling, shall constitute a material breach of contract and may result in corrective action, suspension of Supplier approval status, termination of Purchase Order, and/or recovery of damages.

PRODUCTION PROCESS VERIFICATION: When specified on the Purchase Order, Supplier shall provide a copy of the First Article Inspection Compliant to AS9102. Documentation to be provided with shipment is as follows: AS9102 compliant Form 1 with approval, Form 2 with all material certificates, Form 3 including any testing and inspection data performed with accompanying balloon drawing. Should First Article Inspection be required to be approved by RBB prior to shipment, this requirement will be clearly stated on the Purchase Order.

DESIGNATED SOURCES: When Sources or Special Processes are defined on the Purchase Order, suppliers shall use RBB's designated sources, including process sources. Evidence of source and/or special process supplied shall accompany product with shipment. Failure to comply with the Purchase Order may cause product or process to be rejected at the dock and returned to the Supplier freight collect.

FOREIGN OBJECT DEBRIS (FOD) PROGRAM: Suppliers shall have procedure implemented to prevent foreign objects or material in purchased components. RBB's suppliers shall maintain handling, in process protection, housekeeping, work area accountability, parts, and byproducts in a manner to prevent the risk of FOD occurrences. The suppliers FOD Program shall be subject to audit and to RBB or their customers' review and approval.

SUBSTITUTIONS: No substitutions allowed whatsoever. The product shipped to RBB must exactly match those shown on the RBB's Purchase Order. To ship an alternate or "better than" product, a Supplier must receive prior written authorization from RBB (formal change order to the Purchase Order). Product deviations from the Purchase Order may be rejected at the dock and returned to the Supplier freight collect.

SHELF LIFE: In cases of materials with expiration dates, at least **85%** of shelf life is required upon delivery unless otherwise agreed upon or specified.

NONCONFORMANCE OF PRODUCT: If at any time Supplier becomes aware that shipped material is nonconforming product, Supplier must immediately notify buyer to negotiate arrangements for disposition. RBB does not accept nonconforming material, and no oral agreement or action of any kind may alter this provision without specific written agreement by RBB.

COUNTERFEIT MATERIAL AVOIDANCE: Suppliers shall maintain a counterfeit material avoidance and mitigation process aligned with AS5553 principles and be able to produce for review by RBB when applicable. If supplier does find counterfeit components in the process of supplying components to RBB, supplier will immediately notify RBB. Suppliers shall purchase components directly from OEM, OCM, or from authorized distributors and have traceability records, test data to support documentation. Suppliers are not authorized to deliver any components from any other than those noted above without written consent from RBB.

CHANGE IN PRODUCT AND/OR PROCESSES: Any change in the product and/or process definition, sub-tier supplier and/or site of manufacture must be made known in advance of shipment to RBB for authorization/approval. (Also includes changes in ownership, changes in quality control procedure.)

OVER SHIPMENTS: No over shipments will be accepted without prior written authorization from RBB (formal change order to the Purchase Order). The quantity set forth in the Purchase Order is the contract quantity. Without authorization, the overage portion of your shipment may be returned to your freight collect which will require you to redeliver/re-invoice consistent with the quantity or pricing specified in the Purchase Order.

PARTIAL SHIPMENTS: The exact quantity stated in the Purchase Order is required. Under shipments are not permitted without prior written notification to and approval from RBB. However, shipments of Partial with notification of back-order amount are acceptable with prior agreement. If the Supplier cannot meet the full ordered quantity, the Supplier must notify RBB in writing prior to shipment, including the reason for the discrepancy and a verified fulfillment date for any remaining balance. RBB will determine whether to amend the Purchase Order to reflect an approved revised quantity or to cancel the Purchase Order. If an approved partial shipment is not completed by the verified fulfillment date, RBB reserves the right to return the delivered product at the Supplier's expense for a full refund. Partial shipments are strictly prohibited when the Purchase Order states that "Partial shipments will not be accepted."

SUPPLIER REQUIREMENT TO NOTIFY BUYER: Supplier shall immediately notify RBB in writing whenever a verbal or written change request has been received from a representative of RBB other than the Authorized Purchasing Agent. This includes any change request that affects any aspect of the current Purchase Order including – but not limited to – existing terms and conditions, costs, items ordered, specifications on the items ordered, or schedule of delivery. Only the Authorized Purchasing Agent has the authority to make a change to the Purchase Order via a formal change order.

IDENTIFICATION AND TRACEABILITY: RBB requires that all purchased products – including raw materials and packaging – are clearly identified by part number, trade name, or chemical name – and that lot numbers and/or batch numbers are clearly designated on the delivery paperwork. Date of Manufacture and Shelf Life/Expiration Date must also be clearly labeled on all products that have a shelf life as well as on corresponding paperwork.

DELIVERY PAPERWORK: Delivery documentation shall include, at a minimum, a packing slip and all documentation specified on the Purchase Order. When applicable to the product supplied, raw materials shall be accompanied by a Certificate of Analysis (COA) or material certification demonstrating compliance with specified requirements. Safety Data Sheets (SDS) shall be provided for all hazardous materials. Certificates of Conformance (COC), Certificates of Origin (COO), and other required documentation must be submitted as specified on the Purchase Order. All required documentation must be received for a Purchase Order to be considered complete. Failure to provide required documentation within twenty-four (24) hours of delivery may result in payment being held. If required documentation is not received within three (3) business days of delivery, RBB reserves the right to return product at Supplier's expense. Failure to provide required documentation may adversely affect Supplier performance rating.

CERTIFICATE OF CONFORMANCE: RBB suppliers shall include a Certificate of Conformance and Country of Origin with each shipment. The certificate shall contain at a minimum the following, if applicable:

- a) Original manufacturers and distributors name and address
- b) RBB's PO number, line item and revision
- c) Part number, revision and quantity
- d) Drawing or specification number and revision
- e) Serial numbers, date codes, or batch number when applicable
- f) Statement of conformance to requirements
- g) Authorized agents' signature, title and date
- h) RoHS Documents (when applicable)

TIME IS OF THE ESSENCE; NO WAIVER: Time is of the essence with respect to every term and condition. No acceptance of partial performance on the part of RBB shall constitute a waiver of any term or condition without prior express written authorization from RBB.

RECORDS RETENTION: All records, including certification as required under the terms of this purchase order and which document the quality of the items provided, shall be retained for a minimum of 10 years after the final shipment unless otherwise specified in the purchase order or contract.

FLOW DOWN REQUIREMENTS: Suppliers shall flow down to their sub-tier suppliers any applicable RBB requirements as defined in the purchasing documents (PO, Terms and Conditions, etc.)

SUPPLIER PERFORMANCE: Suppliers providing products and services to RBB will be continuously evaluated by RBB based on the suppliers' on-time delivery and quality performance.

PRODUCT SERVICE CONFORMITY, SAFETY, AND ETHICAL BEHAVIOR: By acceptance of this purchase order, The supplier acknowledges their awareness of their contributions to product and service conformity, product safety and ethical behavior listed in a) b) & c) below and shall communicate this information and requirements to all employees within the organization that have an impact on product conformity.

- a) The materials supplied under this purchase order will be used in aerospace products.
- b) The materials supplied under this purchase order have safety impacts on the final products produced.
- c) The materials supplied under this purchase order must be produced at the highest possible standards of responsible, sustainable and socially aware business practice.

FORCE MAJEURE: Except with respect to defaults of the Seller's subcontractors, the Seller shall not be liable for any excess costs, if the failure to perform this Order arises out of a Force Majeure Event (as defined below), provided the Seller gives RBB written notice of such Force Majeure Event within twenty (20) days of the occurrence thereof and provided RBB agrees that such cause constitutes a Force Majeure Event. A "Force Majeure Event" includes, but is not limited to, an act of God or the public enemy, act of a government in either its sovereign or contractual capacity, fires, floods, epidemics, pandemics, quarantine restrictions, strikes, and freight embargoes or other events beyond the control of, without the fault or negligence of and despite the exercise of utmost diligence by the Seller. If the failure to perform is caused by default of the Seller's subcontractor and if such default arises out of a cause beyond the control of both the Seller and its subcontractor, and without the fault or negligence of and despite the exercise of utmost diligence by both of them, the Seller shall not be liable for any excess costs for failure to perform, unless the goods or services to be furnished by the Seller's subcontractor were obtainable from other sources in sufficient time to permit the Seller to meet the required delivery schedule.

OPTION TO REOPEN AGREEMENT: Supplier and RBB agree that after six (6) months or more after the effective date of this Agreement, that either Party may require in writing that negotiations be reopened in relation to the pricing contained in this Agreement for products and services specified within the Agreement. Upon receipt of such request to reopen negotiations as permitted herein, the parties will negotiate in good faith for a maximum time period of forty-five (45) days. If at the end of 45 days closure is not obtained on the permitted pricing issues open for renegotiation, either Party may petition an Arbitrator to assist in resolving the dispute and to determine the final rates for each of the pricing items or services in controversy. The pricing contained in this Agreement shall remain in place and in effect until such time as the parties reach closure on any replacement prices under this provision or final rates are in effect at the conclusion of the Arbitrator's proceedings. In the event either Supplier or RBB exercises the foregoing option, replacement prices or final rates under this provision shall be made effective as of the effective date of the then current term of this Agreement. The parties will perform a true-up, with any compensation owed to be remitted to the other party as set forth in this provision. Supplier and RBB further agree that the nonprice terms and conditions of this Agreement were based on the legal status and requirements in effect at the time the Agreement was executed. Any modifications to those requirements as a result of Arbitrator review will supersede to the extent applicable any terms and conditions of this agreement.

EXPORT CONTROL: The Seller agrees to comply with all import, export control and sanction laws, regulations, orders and requirements, as may be amended from time to time, which are applicable to the performance of its obligations under this Agreement. The Seller further agrees that all classified information and/or material (including classified waste) generated by or put at the disposal of the Seller shall be stored, handled, transmitted, safeguarded and destroyed in accordance with Export Control requirements. Compliance with export control restrictions shall include, but not be limited to, the Seller obtaining, at its sole cost, any and all export license(s), manufacturing license agreements, technical assistance agreements, or other export control license/agreement necessary for the performance of its obligations under this Agreement. The Seller shall indemnify and hold harmless RBB from any and all claims relating to violations of such export control restrictions.