

	<h1>PO Terms and Conditions</h1>	Doc. No:	SG-VPO-78
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		Rev Eff Date:	10/4/2021

SPECIFIC TERMS AND CONDITIONS OF PURCHASE FOR NORTH AMERICA

Please acknowledge receipt and confirmation of Purchase Orders to purchasing@skinternational.us prior to performing any work on PO via responding to the email.

For Suppliers/Vendors with standard rates: Suppliers/Vendors need to send their costing to SK International via email after receiving parts/materials from SK International and before performing any work. Any changes in the standard rates will be applicable after the discussion with SK International Purchasing.

- SK INTERNATIONAL purchase order number must be referenced on the order confirmation, shipping documents, packing list, and invoices.
- Suppliers must provide Country of Origin and Harmonized Tariff Codes for each item ordered (if required).
- The supplier is responsible for on-time delivery of the material and must notify purchasing@skinternational.us if material is not shipping to deliver on the required due date.
- No items may be canceled/replaced without permission.

GENERAL TERMS AND CONDITIONS OF PURCHASE FOR SK International

1. ACCEPTANCE

Seller has read and understands this Contract and agrees that Seller's written acceptance or commencement of any work defined by the individual purchase order ("PO") issued by SK International under this Contract shall constitute Seller's acceptance of these terms and conditions only. Purchase orders shall ONLY be issued by the SK International Purchasing Department. Any purchase order issued by anyone other than SK International Purchasing Department may result in forfeiture of payment from SK International upon completion of work.

2. SHIPMENT OR DELIVERY

Seller shall deliver the Goods to SK International in the quantity and by the time specified by SK International. Time of shipment or delivery is of the essence of this Contract. In the event Seller fails to make timely shipment or delivery of the Goods, SK International may, upon written notice to Seller and at SK International's sole discretion, without prejudice to all other rights or remedies SK International may have, (a) choose the transportation service provider and require a more expeditious method of transportation for Goods than the transporting method originally specified by SK International: the additional transportation expense otherwise incurred by SK International shall be borne by Seller and SK International shall be entitled to deducting such amount upon its payment to Seller, or shipping the Goods as expeditiously as possible at Seller's expense; under the circumstance aforesaid, SK International is entitled to charging Seller a daily penalty based on the PO; or (b) immediately terminate the relevant PO or extend the period for shipment or delivery. Regardless of whether SK International specifies the packing specifications or not, Seller shall, at its own responsibility and expense, package the Goods in an appropriate and suitable manner. At least five (5) business days before the actual shipment, Seller shall notify SK International of necessary information by E-Mail.

3. PRICE

The price specified on the face of the PO shall be firm and final and shall not be adjusted or changed unless otherwise separately agreed upon in writing by the parties.

4. INSPECTION

SK International shall have the right to inspect the Goods as to quantity and, as far as reasonably possible, inspect the Goods to ensure conformity with the specifications upon receipt of the Goods at the designated premises of SK International.

5. TITLE AND RISK OF LOSS

Unless otherwise agreed in writing, the title to and risk of loss of the Goods shall pass from the Seller to SK International upon delivery of the Goods.

6. PAYMENT TERMS

Payment terms will match SK International Customer payment terms, unless negotiated with SK International Purchasing. SK International Customer payment terms are concurrent with end user payment terms and will be paid 100% Net sixty (60) days after invoice.

7. WARRANTY

Seller warrants that the Goods shall fully conform to all specifications, descriptions, drawings and data or samples or models furnished to or by SK International, and shall be merchantable, of good material and workmanship and free from defects, and shall be fit or suitable for the purpose(s) intended by SK International and/or SK International's customer(s). Unless otherwise specified in the relevant PO, the warranty period for the Goods shall be eighteen (18) months from acceptance of the Goods by SK International. SK International shall make all claims, except for latent defects, regarding the Goods against Seller in writing as soon as reasonably practicable after arrival of the Goods at their destination and unpacking and inspection thereof, whether by SK International or SK International's customer(s). Seller shall be responsible for latent defects of the Goods at any time after delivery, notwithstanding inspection and acceptance of the Goods whether by SK International or SK International's customer(s), if notice of claim shall be made as soon as reasonably practicable after discovery of such defects.

8. REMEDIES

The rights and remedies reserved to SK International in this contract shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Without limiting the foregoing, should any goods fail to conform to the warranties set forth in paragraph 7, SK International shall notify Seller and Seller shall, within a minimum of five (5) business days, or reasonable amount of time, to be negotiated with SK International, correct or replace all non-conforming goods. If after five (5) business days, or a reasonable amount of time, as negotiated with SKI, goods fail to conform to the warranties set forth in paragraph 7, Seller will, if requested by SK International, reimburse SK International for incidental and consequential damages caused by such nonconforming goods, including, but not limited to, costs, expenses and losses incurred by SKI in inspecting, sorting, repairing, or replacing such nonconforming goods.

9. INDEMNITY

Seller shall defend, indemnify and hold SK International, SK International's customer(s), users of the Goods, and it's or their officers and directors harmless from and against any liabilities, damages, losses, expenses, costs, penalties, and disbursements (including attorneys' fees) or personal injury, death or property damage as a result of any claim or dispute caused by, due to or relating, in any way, to the Goods or any defect or malfunction thereof or any infringement of any patent, trademark, utility model, design, copyright, mask work or any other intellectual property rights in the United States of America or in any other country, which indemnity shall survive the termination of this Contract.

10. INSURANCE

The seller shall, at its own expense, obtain and maintain adequate insurance that covers any loss or damage to the Goods arising from transportation according to the delivery terms specified in the PO. In addition, Seller shall obtain and maintain adequate liability insurance covering all claims, losses or damages (including, but not limited to, personal injury, bodily injury, property damage and infringement of third-party rights or otherwise) whatsoever relating to or arising out of the Goods. Seller shall deliver a copy of certificate of insurance evidencing the insurance coverage to SK International, immediately upon request of SK International otherwise, at least five (5) business days prior to the shipment of the Goods.

11. INTELLECTUAL PROPERTY RIGHTS

The seller shall guarantee and warrant that the Goods are free from infringement or violation of any rights, including any intellectual property rights of third parties. If any claim that the Goods infringe upon any intellectual property rights of third parties shall be asserted or brought against SK International, Seller shall at its own expense defend or settle any such suit, action or proceeding, SK International shall notify Seller in writing of the receipt of any such claim, and upon SK International's request, Seller shall hold SK International harmless from any damages, losses, expenses and costs arising from such infringement or violation.

12. CONFIDENTIALITY

Neither party shall, directly or indirectly, disclose to any third party any information disclosed or made available to it by the other party under this Contract without prior written consent of the other party.

13. GOVERNMENTAL APPROVAL

Seller shall represent and warrant that it holds all licenses, permits, or other governmental approvals required for the performance of this Contract.



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14. COMPLIANCE WITH LAW

The parties shall conduct its operations and always perform its obligations hereunder in strict compliance with all applicable existing and future laws, rules and regulations. Neither party shall, directly or indirectly, make any payment or gift which may constitute or may appear to constitute a bribe, kickback or illegal payment under the applicable laws.

15. FORCE MAJEURE

Neither party hereto shall be liable to the other party for failure to perform its obligations hereunder due to the occurrence of any event beyond the reasonable control of such party and affecting its performance including, without limitation, — governmental regulations or orders, outbreak of a state of emergency, acts of God, war, warlike conditions, hostilities, civil commotion, riots, epidemics, fire, strikes, lockouts or any other similar cause or causes ("Force Majeure"). In the event of Force Majeure conditions continue for ten (10) days or more, either party may terminate the relevant PO upon written notice to the other party.

16. TERMINATION

SK International shall have the right at any time to terminate this Contract and/or any PO by giving written notice to Seller if Seller breaches any of its obligations under this Contract and fails to remedy such breach within thirty (30) days following the receipt of the notice thereof from SKI. In addition to any remedy provided herein, SK Internal may terminate this Contract and/or any PO with immediate effect if Seller becomes insolvent, commences or has commenced by it or against bankruptcy proceedings, receivership, reorganization or assignment for the benefit of creditors. Upon termination for any reason, Seller shall immediately return all Confidential Information including Specification and copies thereof to SK International. If Seller possesses any Goods, whether completed or uncompleted, at the time of termination, Seller shall at its own expense, deliver to SK International or destroy such Goods at SK International's written instruction, and SK International shall pay to Seller a fair and reasonable amount mutually agreed by the parties.

17. TRADE TERMS AND GOVERNING LAW

The trade terms herein used shall be interpreted in accordance with the latest version of "INCOTERMS" in all other respects, this Contract shall be governed by and construed in accordance with the laws of the United States of America, without giving effect to internal principles of conflict of laws.

18. ASSIGNMENT AND SUBCONTRACT

Seller may not subcontract any part of the work called for under this Contract without the prior written consent of SK International.

19. ARBITRATION

All disputes, controversies or differences which may arise between the parties hereto, out of or in relation to or in connection with this Contract shall be finally settled by arbitration in the state of Michigan. The award of arbitration shall be final and binding upon both parties and judgment on such award may be entered in any court or tribunal having jurisdiction thereof.

20. NON-WAIVER

The failure of SK International at any time to require full performance by Seller of the terms hereof shall not affect the right of SK International to enforce the same. The waiver by SK International of any breach of any provision of this Contract shall not be construed as a waiver of any succeeding breach of any provision or waiver of the provision itself.

21. SEVERABILITY

If any provision is held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not affect the validity or operation of any other terms and such invalid provision shall be deemed severed from this Contract.

22. ENTIRE AGREEMENT

This Contract constitutes the entire agreement between the parties hereto and supersedes all prior or contemporaneous communications or agreements or undertakings regarding the subject matter hereof. This

Contract may not be modified or terminated, nor may any right be waived except either in writing signed by the duly authorized representative of the party against whom enforcement of such modification, termination or waiver is sought.

23. DEFINITIONS

Counterfeit Product means an unauthorized copy, imitation, substitute, or modified part (such as but not limited to material, part or component), which is misrepresented as a specified genuine part of an original or authorized manufacturer.

First Article Inspection means the act of comparing the first made physical sample part, component, product or alike, with the corresponding specifications, during which each specified dimension or attribute is measured on the first made physical sample part, component, part or alike and compared against the inspection documents, drawings or specifications.

Foreign Object Debris/Damage means a substance, debris or article alien to the Product which would potentially cause damage ("Foreign Object Damage"), being any damage attributed to a foreign object that can be expressed in physical or economic terms that may or may not degrade the product's required safety and/or performance characteristics.

Product(s) means all goods and/or services detailed on the Purchase Order.

Purchase Order means the purchase order sent by SK International to the Supplier by e-mail, or mail or delivered by hand and any listed attachments including but not limited to SK International's Vendor/Sub-Contractor Terms and Conditions and these Terms and Conditions which together make up the contract between SK International and the Supplier.

Quality Records means any and all documentation that provide objective quality evidence including but not limited to documentation accompanying the Product, raw material process certification, material certification, shelf-life certificate, special process certification, test reports, certificate of conformity, inspection and test documentation, statistical documentation, process control documentation, results of production process verification and any other quality assurance document as reasonably requested by SK International.

Sub-tier Supplier means any entity that supplies materials, parts, components or services to the Supplier for use in the Products.

Supplier means the person or company on whom the Purchase Order is placed.

24. GENERAL – These terms and conditions apply:

To all Purchase Orders that refer to these in addition to SK International's Vendor/Subcontractor Terms and Conditions.

In case of inconsistencies, these AS9100 Terms and Conditions take precedence over the Vendor/Subcontractor Terms and Conditions.

The Supplier shall flow down all applicable requirements of the Purchase Order and these Terms and Conditions to its sub-tier suppliers in its supply chain.

The Supplier shall, upon reasonable request by SK International, use customer-designated or approved sub-tier suppliers, including process sources (e.g., special processes).

25. QUALITY

The supplier shall establish and maintain Quality Records as evidence of conformity with the contractual requirements and to demonstrate the Supplier's effective operation of its quality management system.

All Quality Records be maintained for a minimum of seven (7) years and be made available to SK International, its customers and or regulatory authorities upon request.

Upon request, the Supplier shall provide its procedure(s) for controlling relevant Quality Records to SK International for review.

Supplier shall notify SK International of nonconforming product(s) or service(s) immediately upon becoming aware of the nonconformity and shall not rectify such nonconformity without SK International's written approval. The Supplier shall also notify SK International of relevant organizational changes and or changes in key personnel.

The Supplier shall notify SK International of any lack of clarity in a drawing or specification immediately upon becoming aware of it.

Supplier shall maintain evidence of SK International's approval of supplier nonconforming product. The Supplier shall take action to determine the root cause(s) and eliminate such root cause(s) of nonconformities in order to prevent recurrence. Upon request, the Supplier shall provide evidence that corrective actions have been successfully implemented.

If non-conforming Product has been released to SK International, then the Supplier must notify SK International within twenty-four (24) hours of becoming aware of such release and SK International shall be entitled without prejudice to any other remedy to reject such Product.

Supplier shall notify SK International of any changes in the manufacturing/service processes (including material changes) and, unless approved by SK International in writing, SK International shall be entitled without prejudice to any other remedy to reject such Product which has been subject to said changes.

26. COUNTERFEIT

The Supplier shall ensure that Counterfeit Product is not delivered to SK International. In fulfilling its obligations under the Purchase Order, the Supplier shall only purchase goods to be delivered or incorporated as Product to SK International directly from the organization that is the originating source to produce legitimate components or equipment. The product shall not be acquired from distributors that are independent of the originating organization's authorized distribution chain, without written approval from SK International.

The Supplier shall as soon as practicable notify SK International if the Supplier becomes aware or suspects that it has acquired Counterfeit Product. When requested by SK International, the Supplier shall provide documentation that authenticates traceability of the affected Products to the organization that is the originating source to produce legitimate components, goods or equipment.

If the Product delivered under the Purchase Order constitutes or includes Counterfeit Product, the Supplier shall, at its expense promptly replace such Counterfeit Product with genuine Product conforming to the requirements of the Purchase Order. Notwithstanding any other provision in the Purchase Order, the Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Product, including without limitation SK International's costs of removing Counterfeit Product, of reinserting replacement Product and of any testing necessitated by the reinstallation of Product after Counterfeit Product has been exchanged.

27. ACCESS, AUDIT, AND INSPECTION

SK International, its customers, and regulatory authorities have access to the Supplier and Sub-Tier Supplier facilities at all reasonable times for any purpose in connection with the performance by the Supplier under the Purchase Order. The Supplier shall secure the same rights of access to the premises of its Sub-Tier Suppliers.

All Products under the Purchase Order are subject to in-process quality surveillance by SK International, its customer, and regulatory authorities. SK International shall be entitled to audit the Supplier's quality management system.

The Supplier shall provide advance notification to SK International no less than three (3) business days prior to any Product being available for in-process quality surveillance as may be requested by SK International from time to time.

Upon request by SK International, the Supplier shall provide evidence to demonstrate that their personnel are aware of: Their contribution to product conformity.

Their contribution to product safety. The importance of competency, qualification and ethical behavior of their employees

In addition to Quality Records, the Supplier shall provide First Article Inspection documentation.

The Supplier must identify the object of the First Article Inspection as such. The Supplier must carry out a First Article Inspection before supplying a Product to the Supplier in case of (a) changes to process, or (b) movement of machines or if the Supplier has not supplied a Product to SK International for a period of more than two (2) years.

Unless the Supplier is the original manufacturer of all materials, parts, components or alike of the Product, the Supplier must retain all information, including but not

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limited to name of original manufacturer, lot number, series, part or heat number, data code, required to identify the origin of such material, part, component or alike. The original manufacturer's certificate of compliance must be retained by the Supplier for a minimum of ten (10) years

and be made available by the Supplier upon SK International's reasonable request.
 Supplier shall maintain Foreign Object Debris/Damage ("FOD") prevention program including.
 A review of manufacturing processes to identify and eliminate foreign object entrapment.

SK International's right to perform FOD prevention program audits.
 Periodic self-audits of the Supplier's internal FOD prevention practices; and
 Provision of periodic FOD training to the Supplier's employees.