



740 Church Rd., Elmhurst, IL 60126 • sub-ind.com

PURCHASE ORDER TERMS AND CONDITIONS

Form P-001 Rev 0 • Effective **8/1/2026** • Page references are to numbered Sections below

These Purchase Order Terms and Conditions ("Terms") apply to and are incorporated into every purchase order ("Order") issued by Suburban Industries ("Buyer") to a supplier or service provider ("Seller"). "Goods" means all articles, materials, and products ordered. "Services" means all work, processing, and services ordered, including outsourced special processes.

PART I — THE AGREEMENT

1. ACCEPTANCE AND ENTIRE AGREEMENT

Seller accepts these Terms by any of the following: signing and returning an acknowledgment; commencing performance; shipping any Goods; or delivering any Services under the Order. The Order and these Terms, together with the documents identified in Section 2, constitute the entire agreement between the parties for the Order and supersede all prior or contemporaneous quotations, proposals, negotiations, and understandings on the same subject matter.

Any term or condition proposed by Seller — whether in a quotation, acknowledgment, invoice, packing list, shrink-wrap or click-through notice, website, or any other document — that is additional to, different from, or inconsistent with these Terms is **expressly rejected and shall not apply**, regardless of whether Buyer objects to it and regardless of when Buyer receives it. No such term becomes part of the Order unless Buyer accepts it in a writing signed by an authorized Buyer representative that specifically identifies the term being accepted.

2. ORDER OF PRECEDENCE

In the event of a conflict, the following order of precedence applies, in descending order: (a) the face of the Order, including any Order notes and quality clauses; (b) these Terms; (c) drawings, specifications, and standards referenced on the Order, in the revision stated on the Order; (d) any separate written agreement signed by both parties, which shall control over (a) through (c) to the extent it expressly says so; (e) Seller's quotation, as to price and lead time only.

3. CHANGES

No change to price, quantity, specification, revision level, process, delivery date, or place of delivery is authorized unless issued in writing by Buyer's Purchasing representative as an Order amendment. Verbal or emailed instructions from any other Buyer personnel do not constitute an authorized change. Seller shall not proceed with any change until it receives a written Order amendment.

PART II — PRICE, DELIVERY, AND PACKAGING

4. PRICE AND INVOICING

Prices stated on the Order are firm and include all charges for packaging, marking, and preservation unless the Order states otherwise. No additional charge of any kind — including setup, minimum lot, tooling, expediting, fuel, surcharge, or freight — is payable unless authorized in writing on the Order. Each invoice

shall reference the Order number, Buyer part number, quantity shipped, and applicable lot, batch, or heat number. Payment terms are **Net 30 days from receipt of a correct invoice or receipt of conforming Goods, whichever is later**. Buyer may withhold payment for any Goods or Services that do not conform to the Order.

5. TAXES

Prices exclude sales, use, and similar taxes unless stated on the Order. Seller is responsible for all taxes imposed on Seller's income, property, and personnel. Seller shall separately state any tax it is legally required to collect.

6. DELIVERY, TITLE, AND RISK OF LOSS

Delivery terms are **FOB Destination, Elmhurst, Illinois** unless the Order states otherwise. Title and risk of loss pass to Buyer upon delivery to the location stated on the Order. **Time is of the essence**. Seller shall notify Buyer in writing immediately upon becoming aware of any circumstance that may cause a late delivery, together with the revised date and the reason. Notice of delay does not excuse the delay or waive any Buyer remedy.

7. QUANTITY AND EARLY OR EXCESS DELIVERY

Seller shall ship the exact quantity ordered. Buyer is not obligated to accept or pay for any over-shipment, and may return over-shipped Goods at Seller's expense. Buyer may reject and return, at Seller's expense, any Goods delivered more than five (5) calendar days before the Order delivery date, or may accept them and defer payment until the scheduled date.

8. PACKAGING, MARKING, AND PRESERVATION

Seller shall package and preserve all Goods so as to prevent damage, contamination, corrosion, and commingling in transit and in storage. Seller shall:

- Mark every container with Buyer's Order number, Buyer part number, part revision, quantity, and lot, batch, or heat number, legibly and durably on the exterior.
- Segregate different part numbers, revisions, and lots into separate containers. Mixed containers are grounds for rejection of the entire shipment.
- Apply rust preventive, VCI, desiccant, or other protection appropriate to the Goods, the mode of transport, and the expected storage period.
- Include a packing list inside or securely attached to each shipment, identifying the Order number, part numbers, quantities, and lot identification.
- Comply with any packaging, labeling, shelf life, or handling requirement stated on the Order or on Buyer's drawing.

9. FOREIGN OBJECT PREVENTION

Seller shall implement and maintain a foreign object debris and damage prevention program appropriate to the Goods and Services provided. All Goods shall be delivered clean and free of foreign objects and foreign material, including chips, burrs, abrasive or tumbling media, weld spatter, packaging debris, and process residue. Seller shall not use staples in or on any container holding Goods.

PART III — QUALITY REQUIREMENTS

This Part implements Buyer's obligations under AS9100 Rev D clause 8.4.3 to communicate requirements to external providers. Sections in this Part apply to the extent relevant to the Goods or Services ordered.

10. QUALITY MANAGEMENT SYSTEM

Seller shall maintain a documented quality management system appropriate to the Goods and Services provided. Where the Order or Buyer's Approved Supplier List specifies a certification or accreditation — including AS9100, AS9120, ISO 9001, ISO/IEC 17025, or Nadcap accreditation to a specific audit criteria — Seller shall hold and maintain it for the full term of the Order. Seller shall notify Buyer in writing within five (5) business days of any suspension, withdrawal, lapse, reduction in scope, or change of certification body affecting a required certification or accreditation.

11. RIGHT OF ACCESS

Seller grants Buyer, Buyer's customers, and regulatory authorities the right of access to all applicable areas of Seller's facilities and to all applicable documented information relating to the Order, at any level of the supply chain. Seller shall include an equivalent right of access in every subcontract and purchase order it issues in support of the Order, and shall secure that access from its sub-tier sources on request.

12. APPROVED SOURCES AND CUSTOMER-DESIGNATED SUPPLIERS

Where the Order, Buyer's drawing, or Buyer's customer designates or approves a source — including a source for any special process such as heat treatment, plating, anodizing, coating, curing, molding, or non-destructive testing — Seller shall use only that source. Seller shall not substitute a source, material, or process, and shall not procure Goods from a broker, surplus dealer, or independent distributor, without Buyer's prior written approval.

13. NOTIFICATION OF CHANGE AND APPROVAL

Seller shall notify Buyer in writing and obtain Buyer's written approval before implementing any of the following:

- A change to the product, its design, or its configuration.
- A change to any manufacturing or special process, process parameter, tooling, or equipment used to produce the Goods.
- A change of any sub-tier supplier or process source.
- A change to the location of manufacture, processing, inspection, or testing.
- A change to any material, raw material source, or material specification.

Seller shall allow reasonable time for Buyer to evaluate a proposed change and, where required, to obtain its own customer's approval. Buyer's silence is not approval.

14. NONCONFORMING PROCESSES, PRODUCTS, AND SERVICES

Seller shall notify Buyer in writing promptly upon discovering that any process, product, or service delivered or to be delivered under the Order is or may be nonconforming, and shall obtain Buyer's written approval of the disposition before proceeding. Seller shall not repair, rework, scrap and replace, or ship nonconforming Goods as use-as-is without Buyer's prior written authorization. Seller shall not submit a request for deviation or waiver as a substitute for notification. Where Seller discovers a nonconformity after delivery, Seller shall notify Buyer within twenty-four (24) hours and shall identify all affected lots and quantities.

15. FLOW-DOWN TO SUB-TIER SUPPLIERS

Seller shall flow down to its sub-tier suppliers all requirements applicable to the Goods and Services, including the requirements of these Terms, the requirements stated on the Order, and Buyer's customer requirements. Seller remains fully responsible for the conformity of all Goods and Services regardless of the tier at which work is performed, and shall apply appropriate controls to its direct and sub-tier suppliers.

16. PREVENTION OF COUNTERFEIT PARTS

Seller shall implement and maintain a counterfeit part prevention and control program consistent with the intent of SAE AS5553 and AS6174, appropriate to the Goods supplied. Seller shall:

- Procure only from the original component or equipment manufacturer, the original manufacturer's authorized distributor, or a source approved in writing by Buyer.
- Maintain traceability of all Goods and materials to the original or authorized manufacturer.
- Quarantine and immediately report to Buyer any suspect or confirmed counterfeit Goods or material relating to the Order.
- Not return suspect or confirmed counterfeit Goods to the supply chain under any circumstances.
- Bear all costs of investigation, replacement, and Buyer's consequential costs resulting from delivery of counterfeit or suspect counterfeit Goods, which are not subject to any limitation of liability in these Terms.

17. CERTIFICATIONS AND DOCUMENTATION REQUIRED WITH SHIPMENT

Unless the Order states otherwise, Seller shall furnish the following with each shipment. Goods received without the required documentation may be rejected or held, at Buyer's option, and are not accepted until the documentation is received and found acceptable.

- a) A legible Certificate of Conformance signed or authenticated by an authorized representative of Seller, stating: Buyer's Order number; Buyer part number and revision; quantity shipped; the specification or drawing number and revision to which the Goods conform; lot, batch, or heat number; and a statement that the Goods conform to all Order requirements.
- b) For raw material: material test reports showing actual chemical and physical or mechanical test results, traceable to the melt or heat number, from the mill or an accredited laboratory.
- c) For special processes: a certification identifying the process specification and revision, the processing parameters where required, the accreditation or approval under which the work was performed, and the name and location of the facility that performed the work.
- d) For calibration services: a certificate showing traceability to national standards, the standards used, as-found and as-left data where applicable, and the accreditation scope of the calibrating laboratory.
- e) Any first article inspection report, test report, or other data specified on the Order.

Certifications shall reflect actual results. Statements of conformance that are not supported by test or inspection data actually obtained are a material breach of the Order.

18. INSPECTION, VERIFICATION, AND FIRST ARTICLE INSPECTION

Buyer, Buyer's customers, and regulatory authorities may inspect, verify, and witness Goods and Services at Seller's premises and at any sub-tier premises, during Seller's normal business hours and on reasonable notice. Source inspection, when required, will be stated on the Order and Goods shall not ship until released. Where required by the Order, Seller shall perform and submit a first article inspection in accordance with AS9102, and shall repeat it when a change occurs that invalidates the original results. Buyer's inspection, verification, source release, acceptance of documentation, or payment does not relieve Seller of responsibility for conformity, nor waive any Buyer right or remedy.

19. SAMPLING AND STATISTICAL TECHNIQUES

Seller shall inspect one hundred percent of the characteristics specified on the Order unless the Order authorizes sampling. Where sampling is authorized, Seller shall use the sampling plan stated on the Order, or ANSI/ASQ Z1.4 at the acceptance level stated, and shall retain the sampling records. Sampling plans permitting acceptance on a known nonconforming sample are not acceptable. Any use of statistical techniques for product acceptance requires Buyer's prior written approval.

20. SPECIAL REQUIREMENTS, CRITICAL ITEMS, AND KEY CHARACTERISTICS

Where the Order or Buyer's drawing identifies a special requirement, critical item, key characteristic, or safety-critical feature, Seller shall identify it in Seller's planning and inspection documentation, apply and

record the controls necessary to ensure it is met, and retain the resulting data. Seller shall notify Buyer before changing any control applied to such a feature.

21. COMPETENCE AND QUALIFICATION OF PERSONNEL

Seller shall ensure that all persons performing work under the Order are competent on the basis of education, training, or experience, and shall retain evidence of that competence. Where the Order or an applicable specification requires certified or qualified personnel — including non-destructive testing personnel qualified to NAS 410 or an equivalent, welders, and special process operators — Seller shall use only personnel holding the required current qualification and shall make the qualification records available to Buyer on request.

22. PERSONNEL AWARENESS

Seller shall ensure that persons performing work under the Order are aware of their contribution to product and service conformity, their contribution to product safety, and the importance of ethical behavior.

23. CONTROL OF MEASURING EQUIPMENT

Seller shall control, calibrate, and maintain all measuring and monitoring equipment used to accept Goods or Services under the Order, using a documented system traceable to national or international measurement standards. Where no such standard exists, Seller shall retain the basis used for calibration. Seller shall notify Buyer when equipment used to accept delivered Goods is subsequently found out of calibration and shall identify the affected lots.

24. TEST SPECIMENS

When required by the Order, Seller shall provide test specimens for design approval, inspection and verification, investigation, or auditing, in the quantity and configuration specified.

25. DESIGN AND DEVELOPMENT CONTROL

Where Seller performs design or development work under the Order, Seller shall control that work under a documented process covering planning, inputs, controls, outputs, verification, validation, and change control, and shall retain the resulting records. Seller shall obtain Buyer's written approval of design outputs before proceeding to production.

26. RECORDS RETENTION

Seller shall retain all documented information relating to the Order — including inspection and test records, material and process certifications, traceability records, nonconformance records, and personnel qualification records — for not less than **ten (10) years** after completion of the Order, or for the longer period stated on the Order. Seller shall not destroy or dispose of these records without Buyer's prior written approval, and shall offer them to Buyer before any authorized disposal. Records shall be legible, retrievable, protected from loss and alteration, and made available to Buyer on request.

27. SUPPLIER PERFORMANCE MONITORING AND CORRECTIVE ACTION

Buyer monitors Seller performance, including conformity of Goods and Services and on-time delivery, and uses the results to determine the level of control applied to Seller and Seller's status on Buyer's Approved Supplier List. On receipt of a corrective action request from Buyer, Seller shall provide containment action within **three (3) business days** and a documented root cause and corrective action response within **ten (10) business days**, unless Buyer specifies otherwise in writing.

PART IV — WARRANTY, LIABILITY, AND COMPLIANCE

28. WARRANTY

Seller warrants that all Goods and Services shall: (a) conform to the Order, including all drawings, specifications, and samples; (b) be free from defects in material, workmanship, and design to the extent Seller performed the design; (c) consist of new, previously unused material unless the Order expressly authorizes otherwise; (d) be free of any lien or encumbrance and be delivered with good title; and (e) be merchantable and fit for the purpose for which they are ordered. This warranty runs for **thirty-six (36) months from the date of delivery, or the period Buyer's customer requires of Buyer, whichever is longer**. This warranty survives inspection, acceptance, and payment, runs to Buyer and Buyer's customers, and is in addition to any warranty implied or provided by law.

29. REJECTION AND REMEDIES

Buyer may reject any Goods or Services that do not conform to the Order. For nonconforming Goods or Services, Buyer may, at its option and without limiting any other remedy: (a) reject and return them at Seller's expense and risk; (b) require prompt repair or replacement at Seller's expense, including all freight both ways; (c) accept them at an equitable price reduction; or (d) after notice to Seller, obtain conforming goods or services elsewhere and charge Seller the excess cost. Seller shall reimburse Buyer for reasonable costs Buyer incurs as a direct result of the nonconformity, including inspection, sorting, rework, containment, expediting, and premium freight. Buyer's payment for Goods before discovery of a nonconformity is not acceptance.

30. INDEMNIFICATION

Seller shall indemnify, defend, and hold harmless Buyer, Buyer's customers, and their respective officers, employees, and agents from and against all claims, liabilities, losses, damages, and expenses, including reasonable attorneys' fees, arising out of or relating to: (a) Seller's breach of the Order or these Terms; (b) any defect in the Goods or Services; (c) injury to persons or damage to property caused by the Goods, Services, or Seller's acts or omissions; (d) Seller's actual or alleged infringement or misappropriation of any patent, copyright, trademark, trade secret, or other intellectual property right; and (e) Seller's violation of any law or regulation. This obligation is not limited by any insurance Seller carries.

31. INSURANCE

Seller shall maintain, at its own expense and with insurers reasonably acceptable to Buyer, insurance of the following types, with limits not less than those stated, for the full term of the Order:

- Commercial General Liability, including products and completed operations liability: \$1,000,000 each occurrence; \$2,000,000 general aggregate; \$2,000,000 products and completed operations aggregate.
- Automobile Liability, covering owned, hired, and non-owned vehicles: \$1,000,000 combined single limit.
- Workers' Compensation: statutory limits as required by the law of each state in which Seller performs work under the Order.
- Employer's Liability: \$1,000,000 each accident; \$1,000,000 disease – each employee; \$1,000,000 disease – policy limit.

Where Seller holds Buyer property under the Section addressing Buyer Property, Tooling, and Gages, Seller shall also maintain coverage for that property while it is in Seller's care, custody, or control, at its full replacement value.

On request, Seller shall furnish certificates of insurance naming Buyer as an additional insured on the liability policies, and shall provide notice to Buyer before cancellation or material reduction of coverage. Seller's insurance does not limit Seller's obligations under the Section addressing Indemnification.

32. COMPLIANCE WITH LAWS

Seller shall comply with all applicable federal, state, local, and foreign laws and regulations in performing the Order, including those relating to occupational safety and health, environmental protection, wages and hours, immigration and employment eligibility, non-discrimination, human trafficking and forced labor, anti-bribery and anti-corruption, and the hazard communication and labeling of chemicals. Seller shall furnish safety data sheets for all hazardous materials delivered.

33. EXPORT CONTROL AND TRADE COMPLIANCE

Seller shall comply with all applicable United States export control and sanctions laws, including the International Traffic in Arms Regulations, the Export Administration Regulations, and the regulations administered by the Office of Foreign Assets Control. Seller shall notify Buyer in writing before providing any Goods, Services, technical data, or software that is export-controlled, and shall identify the applicable classification. Seller shall not disclose Buyer or Buyer's customer technical data to any foreign person or foreign national without prior written authorization from Buyer and any required government authorization.

34. MATERIAL ORIGIN, SPECIALTY METALS, AND SUBSTANCES

Where the Order so states or where the requirement is flowed down to Buyer, Seller shall comply with: domestic specialty metals requirements, including DFARS 252.225-7014 and its alternates; Buy American and Trade Agreements Act requirements; conflict minerals reporting obligations; and applicable substance restriction and reporting regimes, including REACH and RoHS. Seller shall furnish country of origin and material origin documentation on request, and shall promptly notify Buyer of any change in the origin of material or place of manufacture.

35. GOVERNMENT CONTRACT PROVISIONS

Where the Order is issued in support of a United States Government prime contract or subcontract, the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement clauses required to be flowed down to Seller are incorporated into the Order by reference and apply to the extent required by their terms. Buyer will identify applicable clauses on the face of the Order or in an attachment. Seller shall notify Buyer if it believes a clause identified is not applicable or that a required clause has been omitted.

36. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

All drawings, specifications, data, tooling designs, processes, pricing, and other information Buyer furnishes to Seller, and all information Seller develops specifically for Buyer under the Order, are confidential and remain the property of Buyer or Buyer's customer. Seller shall use such information solely to perform the Order, shall not disclose it to any third party without Buyer's prior written consent, shall restrict access to personnel with a need to know, and shall return or destroy it on Buyer's request. Seller shall not use Buyer's or Buyer's customer's name, trademarks, drawings, or the existence of the Order for advertising, publicity, or reference purposes without Buyer's prior written consent.

37. BUYER PROPERTY, TOOLING, AND GAGES

All tooling, dies, fixtures, gages, patterns, drawings, and material furnished by Buyer, or paid for by Buyer, remain the property of Buyer. Seller shall: identify it as Buyer's property; use it only to perform Buyer's Orders and for no other customer or purpose; maintain it in good working order; keep it insured for its replacement value at Seller's expense; not modify, move to another facility, or dispose of it without Buyer's prior written consent; and return it to Buyer on demand, in good condition less normal wear. Seller shall notify Buyer promptly if Buyer's property is lost, damaged, or found unsuitable for use, and shall retain documented information on what occurred.

38. ETHICS AND GRATUITIES

Seller shall conduct its business ethically and in compliance with applicable anti-corruption laws. Seller shall not offer or provide any payment, gift, entertainment, or other thing of value to any Buyer employee or agent, or to any person acting for Buyer's customer, for the purpose of obtaining or retaining business or securing

any improper advantage. Seller shall promptly disclose to Buyer any actual or potential conflict of interest relating to the Order.

PART V — GENERAL PROVISIONS

39. TERMINATION

Buyer may terminate the Order, in whole or in part, for convenience on written notice, in which case Buyer's liability is limited to the price of conforming Goods already delivered and accepted, plus Buyer's documented reasonable and unavoidable costs Seller incurred for work in process specifically authorized by the Order, less the value of any usable material. Buyer may terminate the Order for default, without liability, if Seller fails to deliver on time, fails to deliver conforming Goods or Services, fails to perform any other obligation and does not cure within ten (10) days of written notice, or becomes insolvent or subject to any insolvency proceeding.

40. FORCE MAJEURE

Neither party is liable for a delay in performance caused by an event beyond its reasonable control and without its fault, including fire, flood, natural disaster, war, act of terrorism, epidemic, or governmental action. The affected party shall notify the other in writing within five (5) days of the event, identify the expected duration, and use reasonable efforts to mitigate. Labor disputes, equipment failure, and Seller's inability to obtain material from its chosen source are not force majeure events. If a delay exceeds thirty (30) days, Buyer may terminate the affected portion of the Order without liability.

41. ASSIGNMENT AND SUBCONTRACTING

Seller shall not assign the Order or any right or payment under it, and shall not subcontract the substantial performance of the Order, without Buyer's prior written consent. Any attempted assignment without consent is void. Buyer may assign the Order to a successor to its business or to an affiliate.

42. INDEPENDENT CONTRACTOR

Seller is an independent contractor. Nothing in the Order creates an agency, partnership, joint venture, or employment relationship, and neither party has authority to bind the other.

43. SET-OFF

Buyer may set off or recoup against any amount owed to Seller any amount Seller owes to Buyer under the Order or any other agreement between the parties.

44. NO WAIVER

No failure or delay by Buyer in exercising any right or remedy operates as a waiver of it. No waiver is effective unless in a writing signed by an authorized Buyer representative, and a waiver applies only to the specific instance for which it is given.

45. SEVERABILITY

If any provision of these Terms is held invalid or unenforceable, that provision shall be limited or severed to the minimum extent necessary, and the remaining provisions remain in full force and effect.

46. GOVERNING LAW AND VENUE

The Order and these Terms are governed by the laws of the State of Illinois, without regard to its conflict of laws principles and excluding the United Nations Convention on Contracts for the International Sale of Goods. The parties consent to the exclusive jurisdiction and venue of the state and federal courts located in **DuPage County, Illinois**, for any action arising out of or relating to the Order.

47. NOTICES

Notices required under these Terms shall be in writing and delivered by personal service, courier, certified mail, or email with confirmation of receipt, to the addresses stated on the Order or to such other address as a party designates in writing.

48. SURVIVAL

The obligations in the Sections addressing Foreign Object Prevention, Right of Access, Counterfeit Parts, Records Retention, Warranty, Rejection and Remedies, Indemnification, Compliance with Laws, Export Control, Confidentiality and Intellectual Property, Buyer Property, Governing Law, and this Section survive completion, expiration, or termination of the Order.



SUPPLIER ACKNOWLEDGMENT

Form P-001a Rev 0 — return one signed copy; applies to all future Orders until superseded

The undersigned, on behalf of Seller, acknowledges receipt of the Suburban Industries Purchase Order Terms and Conditions, Form P-001 Rev 0, confirms that it has read and understands them, and agrees that they apply to every purchase order Suburban Industries issues to Seller unless and until superseded by a later revision or by a separate written agreement signed by both parties.

Item	Supplier Response
Company name	
Address	
Quality contact / title	
Email / phone	
QMS certification held (AS9100 / AS9120 / ISO 9001 / none)	
Certificate number and expiration	
Certification body	
Nadcap accreditation(s) held, if any (AC number and expiration)	
Scope of supply to Suburban Industries	
Counterfeit part prevention program in place? (Y/N)	
FOD prevention program in place? (Y/N)	
DFARS specialty metals compliant? (Y/N/Not applicable)	
ITAR registered? (Y/N)	

Authorized signature:		Date:	
Printed name:		Title:	

Return to: Suburban Industries, 740 Church Rd., Elmhurst, IL 60126 • Attn: Purchasing