 MetalQuest Unlimited, Inc.	DATE:	Page 1 of 6
	12 June 2023	SPECIFICATION MQQ0002
	REVISION:	
E	TERMS AND CONDITIONS OF PURCHASE	
WRITTEN: Shauna Mariska	APPROVED: Scott Volk	

This specification defines the standard terms and conditions of purchase for MetalQuest Unlimited, Inc. herein referred to as Buyer or MQU. Any purchase order that references specification MQQ0002 is subject to the terms specified in this document. The party with whom a purchase order is placed is referred to herein as Seller. References to “customer” are the party to whom Buyer supplies product.

In addition to defining the standard terms and conditions of purchase, another purpose of this document is to make MQU suppliers aware of their impact to MQU’s ability to satisfy its customers’ requirements. MQU maintains a quality management system that is based on ISO 9001:2015. As part of that system, MQU has developed the following Quality Policy:

MetalQuest Unlimited’s goal is to provide the ultimate level of customer satisfaction. With our commitment to quality, we will continue striving to be better tomorrow than we are today.

MQU’s ability to satisfy its customers begins with MQU’s supply base. Providing product on time that meets requirements is a critical quality objective that pertains not only to MQU, but to its suppliers. When suppliers fail to provide conforming product or to provide it on time, this can compromise MQU’s ability to meet its customers’ requirements. MQU encourages the companies from which it procures products and services to establish processes that 1) ensure the requirements for procured items are understood, and 2) ensure provided products and services conform to the specified requirements.

MQU also encourages its suppliers to implement a formal quality management system and subscribe to a continuous improvement philosophy. A continuous improvement program that fosters improved quality, less waste, simplified work processes, and reduced costs can result in increased market share. Conversely, failure to meet requirements can result in lost business opportunities. MQU expects the companies with whom it conducts business to follow ethical business practices, such as compliance with labor laws, OSHA and EPA regulations, and anti-corruption practices.


Terms and Conditions of Purchase:

1. Acceptance of Purchase Order

Seller is requested to confirm acceptance of the purchase order via E-mail to the Buyer. This purchase order is not binding on Buyer until Seller has confirmed acceptance in writing.

2. Agreement Terms

This purchase order is an offer by Buyer for the purchase of goods and/or services specified on the face of the purchase order. The purchase order, together with these terms and conditions and any documents incorporated by reference (such as part drawings, technical specifications, etc.), constitutes the sole and entire agreement between the Buyer and the Seller. Seller shall not deviate from the requirements of this specification or any requirements invoked by the purchase order without prior written approval from an authorized representative of the Buyer. Seller is to use the drawings, specifications, and other technical data listed on the purchase order or referenced by the technical documentation. If a document version level is not specified, the latest revision is to be used. Unless a purchase order specifically pertains to a used item (e.g. regrinding tools, gauge calibration, procurement

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of used equipment), Seller shall ensure that only new materials are delivered to Buyer. Delivered items must be authentic and conform to requirements. There may be legal penalties associated with intentional fraud and falsification.

3. Calibration Sub-Contractors

If the services procured under the purchase order are for calibration of measuring equipment, the calibration should be performed in accordance with the requirements of the latest version of ISO/IEC 17025. Calibration must be performed using standards that are traceable to international or national measurement standards. If no such standard exists, the calibration basis must be documented and retained by the Seller. A calibration certificate must be provided that meets the intent of ISO/IEC 17025. The certificate may be provided in a manner that is suitable for both the Buyer and Seller such as mailing a hardcopy to the Buyer, E-mailing a digital copy to the Buyer, or making it available at an electronic portal where it can be readily retrieved by the Buyer.


- a) The following are required to be on a calibration certificate:
 - i) name of calibration lab/service provider,
 - ii) equipment ID number and description,
 - iii) date of calibration,
 - iv) as found condition, identifying whether the equipment was in or out of tolerance,
 - v) measurement data (as found and as left as applicable),
 - vi) the standard(s) used,
 - vii) the calibration procedure used (may be a reference to a procedure number),
 - viii) the equipment's calibration status upon completion of calibration (e.g. pass or fail), and
 - ix) the name of the person who performed the calibration or certified the results.

- b) It is preferred the calibration certificate contain the following additional information:
 - i) a certificate number,
 - ii) calibration due date of the standards used,
 - iii) the temperature and humidity at which the calibration was performed,
 - iv) the recommended calibration due date,
 - v) the Buyer purchase order number,
 - vi) a NIST traceability statement, and
 - vii) measurement uncertainties.

4. Cancellation

Buyer reserves the right to cancel this order, without liability if any of the following occurs:

- a) Delivery is not made when and as specified,
- b) Seller fails to meet contract commitments as to exact time, price, quality or quantity,
- c) Seller ceases to conduct its operation in the normal control of business,
- d) Seller is unable to meet its obligations as they mature,
- e) Proceedings are instituted against Seller under the bankruptcy laws or any other laws relating to the relief of creditors,

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- f) A receiver is appointed or applied for by Seller,
- g) Any assignment is made by Seller for the benefit of creditors.

5. Certificates of Conformance and Material Test Reports

Buyer may require a Material Test Report and/or a Certificate of Conformance for the raw material, process, and/or product supplied in fulfillment of the purchase order. When required this will be included on the purchase order. Unless directed otherwise, Seller is to E-mail certifications to certs@metalquest.net. If other supporting documentation such as inspection data or a First Article Inspection is required, this will be included on the purchase order.

6. Changes


For manufactured items that become part of MQU’s finished product sold to a customer, if Seller intends to 1. change the manufacturing method or type of equipment, 2. use a different manufacturing location, or 3. use a different sub-tier supplier, Seller must notify Buyer in advance. In addition, Seller shall notify (prior to implementation of the changes) the Buyer of any changes in purchased product that affect the ability of the purchased product to meet specified purchase requirements. Such notification does not constitute or signify Buyer’s acceptance of any changes. The product provided under the purchase order may be subject to First Article Inspection (FAI) requirements that require a new or partial FAI when such changes are made. If Buyer indicates approval is required to make a proposed change, Seller must obtain Buyer’s written approval to proceed with the change. Final approval of the change may require a new or partial FAI and/or approval by Buyer’s customer. When relevant, the Seller shall flow the substance of this clause to its sub-tier suppliers. An exception to the third requirement exists when there is an approved source or supplier list from whom Seller is authorized to procure material or sub-contract processes. This list could be controlled by the Buyer or the Buyer’s customer and often pertains to raw material mills and sources that specialize in special processes (welding, heat treating, painting, plating, coatings, non-destructive testing, etc.).

7. Compliance with Laws

In the performance of this order, Seller will comply with all applicable Federal, State, and local laws and ordinances and all lawful orders, rules and regulations thereunder.

8. Confidential and Proprietary Information

Any information or knowledge which Buyer discloses in connection with the purchase order is deemed confidential and proprietary information, and seller shall safeguard it as such using reasonable efforts. This generally includes technical information such as part drawings and specifications which are often the property of Buyer’s customer. Seller may disclose information to its sub-tier suppliers only as needed in order to fulfill the terms of the purchase order. Obsolete versions of customer documents should be destroyed. If so directed by Buyer, Seller will permanently destroy other proprietary customer documents and direct its sub-tiers to do the same. Buyer may request Seller to furnish certification that customer proprietary documents have been purged. As necessary Seller and its sub-tiers may also allow a third party auditor onsite access to such information for the purpose of performing an audit to assess compliance to a standard, provided the auditor first signs a non-disclosure agreement. Seller shall flow

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the substance of this clause to any of its suppliers to which it discloses confidential or proprietary information belonging to Buyer's customer.

9. Conflict Minerals

It is Buyer's policy to refrain from purchasing from any known conflict sources and expects Seller to adhere to the same standards and source materials only from socially responsible suppliers. Seller is expected to comply with Buyer requests to provide statements and perform due diligence about the source of any conflict minerals in the products supplied to Buyer. Seller certifies that no material provided by the Seller under this purchase order and intended for incorporation into Buyer's finished product contains any mineral (inclusive of tin, tungsten, tantalum, or gold) originating from the Democratic Republic of Congo or any adjoining country that would require disclosure by Buyer under the conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any associated rule. Seller represents that it has taken all necessary measures in accordance with the aforementioned Act to grant the certification in the preceding sentence. Seller shall flow the substance of this clause to its suppliers which perform work or provide goods or services under this purchase order.

10. Country of Origin


In order to comply with customer requirements, Buyer may need to know the country of origin of the goods and/or materials supplied in fulfillment of the purchase order. At Buyer's request, Seller will provide certification to evidence the country of origin.

11. Delivery

Time is of the essence on all deliveries. Buyer expects Seller to consistently deliver product on the due date specified on the purchase order or, for verbal orders, as specified by the Buyer. Method of delivery will be specified on the Purchase Order. Seller may request to deliver early by contacting and receiving consent from the Buyer. Unless specified otherwise on an order, a five percent (5%) variance over or under the ordered quantity is allowed on raw material orders. Anything more than 5% requires the Buyer's approval. In general, over/under shipments on other items are discouraged and may be accepted or rejected at Buyer's discretion. Regardless of the reason, if Seller determines that it will be unable to meet a delivery date, Seller must notify Buyer immediately. Such notification does not constitute or signify Buyer's acceptance of revised delivery terms. If Seller's monthly on-time-delivery performance is less than 100%, Buyer will provide Seller with a performance report.

12. Force Majeure

Neither party shall be liable to the other for any delay or failure in performing its obligations under the purchase order to the extent that such a delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, flood, fire, earthquake, tornado, explosion, storm, epidemic, pandemic, government closure orders, war, invasion, hostilities, terrorist acts, riots, strike, embargoes, or other

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disasters. Seller’s economic hardship or changes in market conditions are not considered Force Majeure Events. If Seller’s delay or default is caused by a delay or default of a subcontractor or supplier, such a delay or default shall be excused only if it arose out of causes beyond the control of both Seller and the subcontractor or supplier and without the fault or negligence of either of them, and the goods or services were not obtainable from other sources in sufficient time to meet the required delivery or performance schedule. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Events are minimized and resume performance under the purchase order. If a Force Majeure Event prevents Seller from carrying out its obligations under the purchase order for a continuous period of more than thirty (30) business days, Buyer may terminate the purchase order immediately by giving written notice to Seller.

13. Invoice and Payment

No invoice shall be issued prior to shipment of the goods and no payment shall be made prior to receipt of both the goods and a correct invoice. E-mail invoices to AP@metalquest.net.

14. Nonconforming Product

Product determined prior to shipment to be nonconforming to requirements shall not be delivered to Buyer without prior written approval (a “deviation”) from an authorized Buyer representative. This pertains to product intended for MQU orders at any level in the supply chain. A copy of the approved deviation must be included with the packing list. Seller shall communicate the substance of this clause to its sub-tier suppliers which perform work or provide goods or services under a purchase order for MQU. If product or material that was supplied by the Buyer is determined to be nonconforming at any stage in the production process, Seller must contact Buyer to receive written authorization for disposition prior to disposition of the product.

15. Packing Slip


Seller must provide a packing slip with the shipment that shows the Buyer purchase order number, shipped quantity, Buyer part number, and raw material heat number (if applicable). If requested it shall also show country of origin or additional information.

16. Prevention of Counterfeit Parts

The Seller shall implement a process, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product delivered to the Buyer. In the event it is determined counterfeit parts may have been delivered to Buyer, Seller will notify Buyer immediately.

17. Product Inspection

Seller is expected to provide product that conforms to the requirements of the purchase order, applicable drawings, specifications, and other technical data. Conformance to requirements impacts the form, fit, function, and safe operation of the final product. Seller will implement inspection and testing procedures and methods that comply with any specified requirements and which are suitable and statistically valid to provide assurance the product meets requirements. Inspection and testing

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equipment that is used to determine product conformance must be calibrated. If seller assigns responsibility to a sub-tier supplier for any inspection and verification requirements, Seller will flow the substance of this clause to the supplier. All product purchased under the purchase order is subject to inspection by Buyer who reserves the right to reject goods which are not in accordance with any specified requirements. Buyer reserves the right to withhold payment for rejected items. Resolution will be at Buyer's discretion and could include Seller replacement of the rejected goods, reduction of the purchase order quantity, or cancellation of the purchase order. Seller may be liable for any packaging and freight charges incurred to return rejected product to the Seller. If Seller's monthly quality performance is less than 100%, Buyer will provide Seller with a performance report.

18. Records

Records that are generated through fulfillment of the purchase order must be retained for a minimum of 10 years and be readily retrievable upon request by Buyer. Buyer and Buyer's customer will have right of access to any records related to the purchase order at any level of the supply chain.

19. Right of Entry

Product is subject to inspection at any point during the manufacturing process by Buyer and Buyer's customer. Buyer will provide advance notice of intent to visit the Seller's facility.

20. ROHS Compliance

For orders requiring ROHS compliance, "ROHS Compliant" must be reflected in the certifications to confirm compliance.

21. Supply Chain Traceability

Sellers who are distributors or material brokers or use them in fulfillment of Buyer's purchase order shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of the material. Upon Buyer's request, Seller will provide evidence of material traceability through its supply chain for any items delivered under Buyer's purchase order.

REVISIONS:

Rev	DCF #	Approved By	Approved Date
A	19-D1733	Scott Volk	9/26/2019
B	19-D1743	Scott Volk	10/7/2019
C	20-D2048	Scott Volk	6/30/2020
D	20-D2189	Scott Volk	12/8/2020
E	23-D3419	Scott Volk	06/12/2023