

Purchase Order Terms and Conditions

1. Acceptance of Purchase Order: Initiating the process of fulfillment, including commencement and shipping of the items as outlined in the Purchase Order, will result in the automatic acceptance of all terms and conditions outlined in the Purchase Order.

2. Payment Procedures: To ensure proper payment, all Shippers, Pack List, and Invoices must clearly reference Skyway Precision's Purchase Order Number. Failure to provide the correct Purchase Order Number may result in payment delays.

Invoices for our Michigan and Wisconsin Plants are to be emailed to:

AP@skywayprecision.com.

Invoices for our South Carolina Plant are to be emailed to:

APSPS@skywayprecision.com.

3. Pricing:

3.1: The piece price remains fixed for a duration of 12 months, apart from any monthly or quarterly adjustments based on the metal market. Any updates related to metal market adjustments, whether they occur on a monthly or quarterly basis, are to be communicated via email to Robert Powell (rpowell@skywayprecision.com) at least 15 days before they come into effect.

3.2: Price includes current surcharge in effect at time of purchase order submission, subject to change at material shipment.

3.3: All price increases requested must be submitted in writing to Robert Powell (rpowell@skywayprecision.com.) All price increases will have to be agreed to by Skyway Precision and Skyway must be given 90 days after the agreement, before the new pricing goes into effect. Price adjustments must be submitted in the 4th Quarter of the current calendar year, to be negotiated for 1st Quarter implementation.

4. Contact Information: For any inquiries or clarification regarding the Purchase Orders for the Michigan Plants, please contact Steve Fischer at (734) 259-6374. For any inquiries or clarification regarding the Purchase Orders for the South Carolina and Wisconsin Plants, please contact Samuel Conti at (734) 259-6382. They serve as our designated points of contact for Purchase Order-related questions.

5. Shipment Schedule: Suppliers are to adhere to the shipment schedule as outlined in the Purchase Order. Any deviations from the schedule must be communicated and approved, in writing, by Skyway Precision.

6. Premium Transportation Charges: If the supplier fails to meet the specified delivery schedule, leading to the incurring of premium transportation charges by Skyway Precision, the supplier shall bear full responsibility for all associated expenses. These costs will be promptly debited to the supplier. Suppliers are expected to proactively take all essential measures to prevent any such delays.

7. Environmental Compliance: Skyway Precision, Inc. is an ISO 14001 registered company, committed to environmental sustainability. We require all vendors providing services to Skyway Precision, Inc. to comply with regulatory and statutory requirements. This includes, but is not limited to, suppliers of materials, tooling, labor, and freight. Suppliers are to meet our environmental standards and demonstrate responsible environmental practices in their operations, as per Skyway's Supplier Quality Manual. Skyway Precision does not accept or condone any handling, transferring, or the supplying of any conflict materials, as defined by United States Legislation Dodd-Frank Wall Street Reform and Consumer Protection Act. Supplier covenants and agrees that all activities performed, directly or indirectly, by or on behalf of Supplier pursuant to these Terms and Conditions, or in furtherance of its objectives, shall be carried out in form and substance in accordance with all Applicable Laws (including environmental and health and safety laws) and Good Industry Practice in all material respects, in conjunction to the Skyway Supplier Quality Manual. The Supplier Quality Manual can be accessed here:

[2023 Skyway Supplier Quality Manual](#)

8. Quality Standards:

8.1: With a minimum of ISO 9001 adherence, working towards IATF 16949 Certification, suppliers must adhere to established customer prints and engineering specifications as outlined in the presiding documentation. This includes PPAP documentation sent prior to the material, and Material Certifications included on each load. Skyway Precision expects high-quality standards met, and any deviations or non-conformance issues should be communicated in advance and resolved, as per the Skyway Supplier Quality Handbook. Suppliers are to maintain the updated Skyway Supplier Quality Manual.

Suppliers are to update CQI (Continuous Quality Improvement) as applicable, e.g., C.Q.I. 27 Special Processes: Casting Assessment, etc.

8.2: Where required by Skyway's Customer, the external provider of processes, products, and services, is required to be compliant to VDA 6.3.

9. Delivery Documentation: Suppliers are responsible for providing accurate and complete delivery documentation, including packing lists, material certifications by request, at no cost to Skyway, and any other required documentation specified in the Purchase Order.

10. Inspection and Acceptance: All materials and products supplied must undergo inspection and acceptance by Skyway's Receiving and Inspection team. This may include, but is not limited to; visual inspection, review of material certifications, and conformance to engineering standards. Non-conforming materials, in adherence to our Supplier Quality Manual, will not be accepted and may be returned to the supplier at the supplier's expense. If Skyway has an issue with the way parts are packaged, Skyway's SQE will contact the Supplier.

11. Changes to Purchase Orders: Any changes or amendments to the Purchase Order must be documented in writing and approved by Skyway Precision before implementation.

12. Classification: Due to current Russian-sanctioned certification requirements, it is required to ensure that the supplier is using the correct customs goods classification so that your company is not exposed to the risk of illegal importation of Russia-originating goods.

Note that processed items – where the goods change classification or origin through assembly, manufacture, or alteration – must also contain no sanctioned Russia-originating components.

13. Force Majeure: Excusable events or delays, often referred to as "force majeure" events, are unexpected, uncontrollable circumstances that may temporarily disrupt or delay the performance of contractual obligations. These events can vary widely but typically include:

Acts of God: Natural disasters such as earthquakes, hurricanes, floods, tornadoes, wildfires, or severe weather conditions that make it impossible to fulfill obligations.

War and Acts of Terrorism: Wars, civil wars, acts of terrorism, or similar hostilities that disrupt operations or make them unsafe.

Labor Disputes: Strikes, lockouts, labor disputes, and other forms of industrial action that affect the workforce and manufacturing processes.

Supply Chain Interruptions: Significant disruptions in the supply chain, such as the unavailability of external components, or third-party logistics issues that hinder production.

Government Actions: Government actions or changes in law and regulations that prevent or limit manufacturing operations, such as export restrictions, import bans, or sanctions.

Pandemics or Health Emergencies: Epidemics, pandemics, or other health crises that lead to restrictions on movement, quarantine measures, and reduced labor availability.

Material Shortages: Unexpected shortages of essential materials or resources required for manufacturing, which could be due to market conditions, production issues, or geopolitical factors.

Utility Failures: Unforeseen utility failures like power outages, water supply disruptions, or gas shortages that impact manufacturing processes.

Accidents and Damages: Accidents or damage to facilities, equipment, or machinery that render them inoperable or unsafe for use.

Transportation Disruptions: Interruptions in transportation, such as port closures, road closures, or delays in delivery, which affect the distribution of manufactured products.

Epidemic Outbreaks: Outbreaks of diseases affecting both human and livestock, which may require quarantine measures and impact operations.

Civil Unrest: Protests, riots, or civil disturbances that disrupt manufacturing operations and pose risks to employees' safety.

Third-Party Failures: Failures by service providers, or contractors, which have a direct impact on the manufacturing process.

Cyberattacks or Hacking: Cyberattacks or hacking incidents that compromise critical systems, data, or security, causing operational disruptions.

14. Inexcusable Event/Delay: An inexcusable delay refers to a delay in production or project completion that cannot be justified or attributed to external factors or circumstances beyond the company's control. These delays typically result from internal mismanagement, negligence, poor planning, or a lack of due diligence. Inexcusable delays are those for which the supplier bears full responsibility and accountability, and they are not considered legitimate nor acceptable. All costs arising from delays due to an inexcusable event of the supplier will be borne by the supplier. It is imperative for suppliers to promptly identify and rectify inexcusable delays to uphold operational efficiency and competitiveness.

15. Confidentiality: Suppliers must treat all information provided by Skyway Precision as confidential and may not disclose it to third parties without prior written consent.

Please note that these terms and conditions are subject to change, and suppliers will be notified of any updates or revisions, as necessary. By accepting a Purchase Order from Skyway Precision, suppliers agree to comply with these terms and conditions.