

Keystone® Powdered Metal Company Supplemental Terms and Conditions

The terms and conditions that follow apply to:

- Vendors quoting or supplying component parts and/or
- Subcontractors quoting or performing secondary work, which includes, but is not limited to, machining, assembly, heat treating, steam treating, plating, etc.

All communications to and from Keystone Powdered Metal Co. (Keystone) shall be in English unless otherwise agreed upon.

Confidentiality and Cyber Security:

Any information disclosed to vendor for quotation, or to perform work, constitutes and includes confidential, proprietary, and trade secret information of Keystone and/or its customers. This information is of a unique and extraordinary nature, disclosure of which to unauthorized persons would cause serious damage and harm to Keystone and/or its customers. By accepting and receiving this information, vendor acknowledges the proprietary and sensitive nature of this information and agrees not to, directly or indirectly, use, disclose or disseminate such information except as authorized in writing by a duly authorized representative of Keystone. All specifications, documents, and prototype articles delivered by Keystone in connection with the performance of a quotation or order are the property of Keystone. They shall be returned or disposed of as Keystone may direct.

Supply chain cyber security is becoming critical as the risk of vulnerabilities threatens integrity. It is possible for cyber threats to have entered from an unanticipated direction completely unbeknownst to the organization. Vendors are required to take protection against threats on computer network to prevent damage to themselves or others. Some typical supply chain cyber security activities for minimizing risks include buying only from trusted vendors, disconnecting critical machines from outside networks, and educating end users on cyber threats and protective measures they can take.

Requests for Quote:

Quotations must include any separate costs for tooling, gages, or equipment needed to perform the work being quoted. Unless otherwise stated, the tooling purchased is the property of Keystone and cannot be used to produce parts for anyone else.

Base prices quoted will be firm for the life of the part. Quotes must contain the base pricing for raw materials, plus any additions that can be tied to a recognized raw material index. Examples could be: Copper – Comex (Commodity Exchange), Nickel – LME (London Metal Exchange). Quantities quoted are a reasonable expectation and are based on information supplied by Keystone's customer or prospective customer. They are not guaranteed quantities. Quantities ordered will be scheduled to ship in release quantities. If minimum release quantities apply, they must be noted on the quotation. Unless otherwise agreed, PPAP components and all subsequent shipments will be at production prices.

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Adherence to quoted lead time is essential. Keystone requires 100% on time delivery. Premium freight charges of goods from vendor to Keystone or from Keystone to its customer resulting from vendor's late delivery will be the responsibility of the vendor.

Parts and services should be quoted F.O.B. Keystone's Facility (St. Marys, PA – Lewis Run, PA – Cherryville, NC)

Keystone's standard payment terms are net 60 days.

Keystone may elect to transmit purchase order and release data by Electronic Data Exchange. Any quotations should state your EDI capabilities.

Keystone Powdered Metal Company's requirements on parts may include, but not be limited to:

- Special Gauging Requirements
- Special Tooling Requirements
- Critical Dimensions
- PPAP requirements

Quality:

All vendors must comply with the provisions of Keystone's Supplier Quality Manual which can be found on Keystone's website (www.keystonepm.com).

Third party ISO certification is a requirement for selection. A copy of vendor's certification should be sent with the quotation.

PPAP requirements will be addressed at the time the business is awarded. Once PPAP approval is granted, no process changes are permitted without written consent from Keystone.

All PPAPs will require a Vendor IMDS Company ID#. Vendors are required to input necessary data into the IMDS database under Keystone Powdered Metal Company's IMDS number. Submit to KPM IMDS ID 5523.

Vendors performing secondary operations to products supplied to vendor by Keystone, will be permitted a maximum scrap rate of 1.5% with a goal of 0%. If the percentage of scrap on an order exceeds 1.5% with a goal of 0%. If the percentage of scrap on an order exceeds 1.5%, vendor shall bear the responsibility for the cost of scrap in excess of that amount. If defective parts reach our customer and are rejected due to vendor's error, the vendor may be responsible for the costs of 100% inspection at the customer's site, the costs of the parts and any costs associated with the rejection.

All parts are to be clean and free from contamination and packed in mutually agreeable containers.

Supplier Code of Conduct:

Supplier agrees to comply with all of the requirements of the Supplier Code of Conduct, which is available at <http://www.keystonepm.com> and is an integral part of this agreement. Material noncompliance with the Supplier Code of Conduct constitutes a breach or default by Supplier under this agreement.

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Conflict Minerals:

Vendors are required to perform adequate due diligence to ensure that all conflict minerals delivered to Keystone have been processed at smelters on the Electronic Industry Citizenship Coalition (EICC) Conflict Free Smelter (CFS): Compliant Smelter and Refiner List where such a list is available. Once aware that a particular supply chain is not conflict-free, vendors are provided a reasonable period to encourage participation by their smelters with the CFS program if they are not already on the list. If the smelter resists participation with the CFS program, the Vendor is expected to develop a new source of the material. Federal Legislation currently identifies columbite-tantalum, cassiterite, wolframite and gold ores that are refined into tantalum, tin, tungsten and gold respectively as conflict minerals. Other minerals may be added by the Federal Government in the future and this requirement will apply to those as well.

Hazardous Materials:

Vendor shall supply written notice to buyer upon receipt of an order if the goods furnished, or products used in processing, are subject to the laws and regulations relating to hazardous or toxic substances, or when disposed of, to regulations governing hazardous waste, or to any other environmental, health or safety regulations. Vendor shall furnish all appropriate MSDS/MDS, shipping certifications, notices, forms or other information required to be supplied to a purchaser or user of hazardous or toxic substances pursuant to applicable laws or regulations, and instructions for shipping, safety, handling, exposure and disposal in a form sufficiently clear for use by Keystone personnel and sufficiently specific to identify all action which the user must take concerning the material. Vendor shall provide Declarations of Conformity for individual products & packaging to RoHS Directive 2011/65/EU and the absence of SVHC (Substances of Very High Concern – REACH), all lists, or substances listed in Annex XVII of REACH .

If substances, preparations or articles supplied to KPM contain SVHC or Annex XVII substances, the supplier is to provide KPM with the product, substance, preparation or article name and/or part number, restricted material name, CAS number, and the restricted substance material level (PPM).

The ECHA adds substances to the SVHC list at regular intervals. The SVHC list and related info can be found at: http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp.

Class I ozone depleting chemicals (CFC's) are prohibited and Class II materials (HCFC's) need to be reported in any quantity. Asbestos, asbestos containing, and radioactive materials are generally prohibited.

These are supplemental terms and conditions. Other special requirements or conditions that arise will be covered by the purchase order. In addition, Keystone's Purchase Terms and Conditions apply to all purchase orders unless expressly noted otherwise on the Purchase Order. Keystone's Purchase Terms and Conditions can be reviewed on the back of all purchase orders or at the Company's website (www.keystonepm.com).