

## TERMS AND CONDITIONS

Thank you for allowing us to provide your precision machined parts! We look forward to the opportunity to work with you to achieve your goals. First, we wish to provide you with clear practices from the metalworking industry for our working arrangement in order that everyone involved knows what to expect. In summary, we operate under the reasoning that each party take responsibility for that which they can control, as follows:

ATMOSPHERE MACHINING LLC executes all orders under the following terms and conditions unless otherwise previously specified and agreed to in writing for a specific order or period of time:

1. Atmosphere Machining operates on an AS9100 QMS manual, but we are not certified and have never been audited by a third-party certification body. We will provide certification documents for materials, heat treatment, NDT, finishing, AS9102 FAIR, Formal Inspection Report, etc with shipment as-requested on your purchase order, or other written-request. We deliver these documents digitally unless printed documents are requested.
2. Our liability for any cause is limited to the cost of the part produced and does not extend to any other expenses or damages incurred during use of the part in question. Charges for our services are based on this policy limiting our liability.
3. Liability greater than that outlined in paragraph (2) above will be assumed by us only when so agreed in writing by us, prior to manufacturing. In such event a higher charge may be made for our services.
4. We warrant the accuracy of part(s) produced to meet the customer's provided specifications to the best of our inspection abilities per best industry practices.
5. We assume liability for the execution of third-party processes (anodizing, plating, coating, chemical conversion, painting, marking, etc) performed by third-party suppliers only when the supplier is on our Approved Supplier List (ASL). Such liability is still limited by paragraph (2) above. Customers specifying execution by a supplier not on our ASL (including single-source processes) accept liability for non-compliance or damages caused by such supplier.
6. In no circumstance do we assume liability for the design and engineering of the parts manufactured, whether parts are produced to customer specifications or customer samples. The customer acknowledges that although we are experienced metalworkers, we are not trained as engineers.
7. In the event of an engineering design specification error found or change made after the quotation is submitted, any additional expenses incurred for material, labor or other costs will be charged to the customer.
8. If no block tolerances are provided on the drawings, the following will be used as default tolerances:

|            |                      |
|------------|----------------------|
| .x ±.050   | 125RA Surface Finish |
| .xx ±.010  | ±1° Angles           |
| .xxx ±.005 |                      |
9. When customers supply 3D models, the part(s) will be machined directly from the model and then inspected by the drawing. The customer is responsible for communicating and clarifying any discrepancies between the model and the drawing on the purchase order. Any discrepancies we are unaware of may unintentionally translate to the part and are not sufficient grounds for rejecting the part.
10. Customer's supplied data (drawings, models, etc) will be stored on our ITAR compliant, secure, encrypted file service 'BOX' and used by our staff, which are US citizens, in accordance with their security procedures. Files emailed to us are stored on our ITAR compliant email server, serviced by 'CVM'. Customers may deliver files via their own secure service. This data may be shared with third-party suppliers in part or in whole only as necessary to perform their duties to meet Customer requirements. Our third-party suppliers are under NDA with Atmosphere Machining.
11. Parts produced by us shall be presumed to be accepted as satisfactory by you if we are not notified of discrepancies within five (5) working days of your receipt.

12. For production runs requiring First Articles and a hold-on-production, review must be completed within 48 hours of receipt. Customers delaying review may result in either a \$250 per day fee to hold the machine or a re-setup fee to set the equipment up a second time. For production runs not requiring First Articles, the customer is responsible for inspecting the First Partial Shipment and must notify Atmosphere immediately of any corrections needed. Parts manufactured after delivery of First Articles or First Partial Shipment may not be rejected for corrections not communicated to Atmosphere.
13. Parts are not returnable for refund for any reason.
14. A detailed non-conformance report will be submitted to the customer at time of inspection if any parts are found to be out of full compliance with specifications. Inspection will be completed before third-party finishing is performed unless otherwise specified by customer.
15. Parts rejected for non-conformance must be returned to us for rework or replacement. Further processing or use of rejected parts by you or any other party shall constitute a waiver of any liability on our part. Rejected parts are not released to customers unless paid for in full. The customer must contact us before returning parts.
16. Inspection tools are calibrated to certified standards annually and logged in our QMS, as well as checked daily prior to use.
17. Where operations or processes performed by us are in the nature of salvaging or modifying existing parts or materials, the work is accepted on a "best effort" basis and no guarantee shall be implied by us unless previously agreed upon in writing prior to processing the job.
18. Quoted lead times are based on a fluctuating workload and are subject to change. Once a purchase order and deposit (if required) is submitted, the order is placed on the production schedule and we can provide you with a more accurate lead time. All lead times are estimates – we do our best to deliver on schedule and will communicate any delays that arise. Parts requiring third-party processing such as waterjet, grinding, NDT, finishing, etc are subject to those third-party vendor's fluctuating lead times. Expediting options are available with most of our third-party vendors that provide faster and firmer lead times; this is best to request at the time of quote, but may be requested and added later.
19. We will use materials that are domestic or manufactured in a DFARS compliant country, unless otherwise specified on the quote.
20. Quotes will include all customer-provided design specifications and requirements unless deviations are noted on the quote. Any deviations noted on the quote are deemed accepted upon receipt of customer-issued purchase order referencing the quote.
21. Orders will be invoiced on the date shipped, or in the case of Will Call items, on the date of completion when parts are ready for pickup. In cases where partial orders are shipped or picked up, multiple invoices will be provided accordingly. All invoices are associated with a specific packing slip.
22. Cancelled orders will incur a minimum 25% cancellation fee, plus incurred costs and labor completed at the time of cancellation.
23. **All third-party shipments are FOB Atmosphere** and will be shipped with accurate value declarations. We will assist with any UPS, FedEx or other claims to the best of our ability.
24. Applicable sales tax will be charged on all new parts shipped unless a valid Resale Certificate is provided or other proof of tax exemption. Sales tax is not charged for labor-only services.
25. Credit Card Payments. A 3.5% payment processing fee will be assessed for all credit card payments.
26. Account Payment. The customer agrees to pay all invoices within the terms of their account. Payments should be received – *not mailed* – by the due date. Each month an invoice is passed due, a 1.5% fee will be assessed. Customer agrees to pay all costs of collection, including reasonable attorney's fees and legal expenses, incurred by seller in collecting or attempting to collect the unpaid purchase price and all other charges.