

Stretch Machining China, INC.
VENDOR AGREEMENT—PRODUCT

This Vendor Agreement—Product (“Agreement”) is made by and between Stretch Machining China, INC., a California corporation (“Stretch Machining China”), and the undersigned (“Vendor”), and is effective as of the date of the parties’ signatures set forth below.

1. **TERMS:** This Agreement supersedes all prior agreements and understandings between Stretch Machining China and Vendor pertaining to the delivery of any goods or the furnishing of any services by Vendor. Acceptance by Stretch Machining China of goods or services from Vendor is strictly conditioned on the terms and conditions of this Agreement, and no purported revisions of, additions to, or deletions from this Agreement will be effective, whether contained in Vendor’s proposal, invoice, acknowledgment, or otherwise, and no local, general, trade custom usage, or ordinary course will be deemed to effect any variation of the terms and conditions of this Agreement unless expressly agreed to in writing by a Stretch Machining China authorized representative. In the event of a conflict between the terms and conditions of this Agreement and any term or condition of any confirmation, acknowledgment, invoice, proposal, agreement, or other document from Vendor, the terms and conditions of this Agreement will control. Vendor hereby waives any “battle of the forms” arguments that in any way relate to this Agreement. The delivery of any goods or the furnishing of any services to Stretch Machining China by Vendor will constitute Vendor’s acceptance of this Agreement subject to, and in strict accordance with, all of the terms and conditions of this Agreement. This Agreement may not be amended, modified, or changed, except by means of a written document executed by both parties. Notwithstanding, any invoices submitted to Stretch Machining China before this Agreement has been duly executed by Vendor and submitted to Stretch Machining China will be returned to Vendor unpaid to be resubmitted with a duly executed counterpart of this Agreement.

2. **ORDERS:** Stretch Machining China reserves the right to cancel any order before shipment. Stretch Machining China reserves the right to refuse any goods and to cancel all or any part of an order if Vendor fails to deliver all or any part of the goods in accordance with the terms and conditions of BEND-TEK’s order or this Agreement, including due to defects (latent or patent) or shortfalls or if Vendor violates Section 5 of this Agreement. Acceptance of all or any part of a non-conforming order will not bind Stretch Machining China to accept future shipments, deprive Stretch Machining China of any right to revoke its acceptance of goods, or be a waiver of BEND-TEK’s right to cancel or return any part of the non-conforming order or to make any claims for damages, including manufacturing costs, lost profits, or special damages. Delivery of any goods will not be complete until the goods have been actually received (meaning delivery at the loading dock or other location designated by Stretch Machining China), accepted, and inspected by Stretch Machining China, notwithstanding any agreement to pay freight or other transportation charges, and the risk of loss or damage in transit will be with Vendor. Inspection may take place at the time of receipt or at a reasonable time thereafter. Vendor represents and warrants that its prices comply with applicable government regulations in effect at time of quotation, sale, and delivery and are not greater than any other prices that Vendor charges other buyers that purchase a similar volume of merchandise. If Vendor reduces any price after an order by Stretch Machining China but before delivery of that order, Stretch Machining China will be charged the reduced price for that order (“Reduced Price”). The amount Stretch Machining China will be required to remit as payment for the goods and services provided by Vendor will be the lesser of: (i) the pricing submitted through the Vendor Portal (defined below), (ii) the Reduced Price, or (iii) the pricing as indicated in Vendor’s invoice (the lesser of (i), (ii), or (iii) is referred to as the “Lowest Price”). Vendor hereby waives, and forever releases and discharges Stretch Machining China from, any claims for compensation in excess of the Lowest Price. Vendor agrees to be bound by BEND-TEK’s Terms and Conditions for Purchase Orders, which are ~~the applicable terms and conditions of this Agreement~~ incorporated into this Agreement by this reference to AS9100, ISO 9001, or equivalent accreditation is required (except where pre-approval from Customer has been provided in written format). The Vendor’s quality system at a minimum shall demonstrate adequate process controls to ensure the Vendor can meet Stretch Machining China Inc. Purchase Order requirements. Vendors are responsible for compliance to all stated in this Agreement and purchase orders. The Vendor shall have a process for identifying and reviewing all Stretch Machining China Inc. requirements, including the purchase order, all related purchasing specifications and drawings, as well as all associated subordinate documents. Additionally, this includes approved sources for raw materials, processes, and requirements for delivery. The Vendor shall be responsible for ensuring that appropriate requirements flow down to sub-tier suppliers. The Vendor shall maintain records for a minimum of ten (5) years that provide objective evidence of compliance to the purchase order requirements and/or specifications. The records shall be legible and must be retrievable within 72 hours of a request. The Vendor shall have complete traceability regarding product non-conformity and the associated disposition. The non-conformance system shall be described as part of the Quality System, and records shall be readily available to Stretch Machining China Inc. on request. This system shall ensure that all non-conforming material is positively identified to prevent use, shipment, and intermingling with conforming material. Any disposition of use as intended, or repair, must first be approved by Stretch Machining China Inc. Program Management. Acceptance of this purchase order obligates the seller to perform, upon request, a corrective action investigation when discrepant material is received by the buyer. A written report shall be furnished, within a period of five business days, which is specific and conclusive to prevent a reoccurrence of the discrepancy. The Vendor shall maintain a quality/inspection system which is in conformance with the requirements of AS9100 and/or ISO 9001 to include: Receiving, First Article, In-Process Purchase Order Clauses and Final inspection including Inspection and Test Records supplied to Stretch Machining China Inc. at the point of First Article Inspection (FAI) (if requested via Stretch Machining China Inc. Purchase Order) and upon completion and shipment of said order. Vendor shall grant Stretch Machining China the right of access by their representatives, customers, and any regulatory authorities to the applicable areas of all Vendor’s facilities, at any level of the supply chain, involved in the order and to all applicable records. Vendor further grants Stretch Machining China the right to require and request evidence of that Vendor’s external providers and their personnel are aware of: – their contribution to product or service conformity; – their contribution to product safety; – the importance of ethical behavior. A Certificate of Conformance (COC) shall be provided with the shipment of the product to demonstrate that the materials meet the requirements. The COC must contain Certification or test result, PO number, Composition, Nomenclature, Serial numbers if applicable, Specifications(s) and revision, Lot code and batch code, and Signature and title of the authorized representative. Vendor shall establish and maintain a Counterfeit Parts\Material Prevention and Control Plan to ensure that counterfeit goods and material are not delivered to Stretch Machining China Inc. Vendor shall provide written notification to Stretch Machining China Inc. Purchasing Manager and/or Quality Assurance Manager if Vendor becomes aware or suspects that it has furnished Counterfeit Goods within 24 hours. Vendor shall provide to Stretch Machining China Inc.’s Purchasing Manager and/or Quality Assurance Manager, upon request, the supply chain traceability to an Original Manufacturer or authorized distributor chain that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product. Vendor shall have a documented process in place to ensure Counterfeit goods are contained and do not reenter the supplier chain. Any counterfeit or suspect counterfeit, goods and materials delivered to Stretch Machining China Inc. will be controlled by Stretch Machining China Inc. to prevent reentry into the supply chain. The counterfeit or suspect counterfeit, goods and materials delivered to Stretch Machining China Inc. must be replaced with non-counterfeit parts or credited at the expense of the Vendor. Vendor shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as goods or material to Stretch Machining China Inc. as applicable. The Vendor shall maintain a documented traceability system to track all raw material from delivery and inspection through to final completed parts/components, testing and verification. Special processes such as cleaning, marking, finishing, chemical films, or inspection (e.g., x-ray, magnetic particle, ultra-sonic and dye penetrant inspection), shall meet the requirements listed on Stretch Machining China customers print and/or purchase order and associated documents. The Vendor shall have documented procedures (under configuration control) and acceptance criteria for these processes. Purchase Order Clauses 1.11 Control of Test Equipment. The Vendor shall maintain a calibration program in accordance with ISO 10012. Test and Measurement Equipment shall be calibrated either internally or by an outside organization certified to ISO/IEC 17025:2005 or ANSI/NCSL Z540-3:2006, and shall be evaluated for suitability to accurately test to Stretch Machining China Inc. stated specifications. The test setups shall have documented traceability of their accuracy and repeatability against a known standard. In addition, Vendor grants Stretch Machining China Inc. the right to conduct routine audits of the work to monitor progress, conformance to design, quality, and testing. Work under Bend-Tek’s purchase order is subject to Stretch Machining China Inc. surveillance/inspection at the Vendor’s premises or sub-tier Vendor’s facility. The Vendor and/or sub-tier supplier will be notified three (3) days in advance if a surveillance/inspection is to

be conducted. The Vendor shall provide packaging that maintains the quality of the product and prevents damage, deterioration, substitution, or loss while in transit or while in long term storage. The Vendor shall label the exterior of the package to ensure adequate identification of precautions needed to ensure the integrity of the product being shipped or stored. The Vendor shall ensure proper and on-time delivery without damage to the product. Material damaged due to inadequate packaging will be rejected and returned to the Vendor. Certificates of Conformance (COC) shall accompany the delivery of all product. It is required by Stretch Machining China Inc. material shall be of domestic origin or pre-approval from Stretch Machining China Inc. to obtain material from one of the qualifying countries in accordance with DFAR 252.225-7014. Vendor shall provide evidence of compliance, including flow down to all sub-tier suppliers, with all shipments. The Vendor shall provide chemical and physical analysis of raw material demonstrating compliance to the applicable material specification. Certifications of Analysis (COA) shall be provided for all procured materials. Vendor's calibration system shall meet the requirements of: ISO 17025, ISO 10012-1, AS9100, ANSI-Z540-1 or MIL-STD-45662.

3. **INDEMNIFICATION:** To the fullest extent permitted by law, Vendor shall defend, indemnify, and hold harmless Stretch Machining China, BEND-TEK's affiliates, and their respective directors, officers, managers, employees, owners, agents, representatives, predecessors, successors, and assigns (collectively, the "Indemnified Parties") from and against all claims, demands, causes of action, lawsuits, arbitrations, proceedings, settlements, judgments, losses, liabilities, damages, costs, fees, and expenses (including attorney's fees and costs of defense) (collectively, "Losses") arising out of or relating to Vendor's performance under this Agreement or the presence of Vendor or Vendor's employees, contractors, agents, or invitees (collectively, the "Vendor Parties") at any premises owned, occupied, or operated by Stretch Machining China, provided that such Losses are attributable to: (a) any claim that a product of Vendor is harmful, subject to recall, in violation of Section 2, 4, or 5, of this Agreement, defective in design, manufacture, packaging, instructions, or warnings, in violation of any intellectual property right, or subject to any other adverse conditions, in each case, regardless whether Vendor designed, manufactured, distributed, or resold the product; (b) the breach of the implied warranty of merchantability; (c) a Vendor Party's negligence or willful misconduct (act or omission); (d) a Vendor Party's failure to comply with any applicable law, rule, or regulation; (e) bodily injury, sickness, disease, or death (including of a Vendor Party or Indemnified Party); (f) Vendor's failure to pay California Refund Value ("CRV") under Section 5 of this Agreement; or (f) damage to or destruction of tangible property (including the loss of use thereof), in each case, regardless of whether the Loss was caused or allegedly caused in part by the negligence or other fault of any Indemnified Party, except that Vendor will not be liable for Losses caused by the gross negligence or willful misconduct of any Indemnified Party. Vendor's indemnification obligations under this Section 2, or 3 will not be limited by common law, statute, applicable Workers' Compensation, or other disability or employee benefit laws, and, solely as respects the indemnities set forth in this Section, Vendor hereby expressly waives any rights it may have to assert any immunities or defenses (including, mistake, assumption of the risk, privilege, laches, procedural, contributory negligence, comparative negligence, estoppel, statute of limitations, failure of consideration, fraud, illegality, and waiver) that it may have under such laws against any Indemnified Party.

4. **LABOR, WORK, AND SERVICES; INSURANCE:** This Agreement does not create a partnership, joint venture, or agency relationship between Stretch Machining China and Vendor, and neither party will represent that such a relationship exists based upon this Agreement. In supplying any goods or performing any services under this Agreement, Vendor represents and warrants that it is, and undertakes such performance as, an independent contractor, with sole responsibility for the payment of all federal and/or state unemployment insurance, social security, and/or other similar taxes incurred. Any performance by Vendor under this Agreement must be in full compliance with BEND-TEK's safety and other rules and procedures and with all federal, state, and local laws and regulations regarding workplace safety, including laws pertaining to occupational safety and health. During the time Vendor provides goods or services to Stretch Machining China under this Agreement, Vendor shall, at its expense, maintain the following minimum insurance coverages on an "occurrence" basis (and not on a "claims-made" basis):

	<u>Minimum Limits</u>
Worker's Compensation	Statutory
Employer's Liability	\$1,000,000 bodily injury by accident or disease, each employee
Commercial General Liability (including Product Liability coverage)	\$1,000,000 Combined Single Limits
Contractual Liability	\$2,000,000 General Aggregate \$2,000,000
Auto Liability Single Limits	\$1,000,000 per accident

Vendor shall furnish to Stretch Machining China certificates of insurance showing the above coverages with an insurer with an AM Best rating of "A VIII" or better and providing for at least thirty (30) days prior written notice of cancellation or modification resulting in a reduction below the required minimum coverages and naming "Stretch Machining China, INC., a California limited liability company" as an additional insured under Commercial General Liability using ISO form CG 2026 or its equivalent, or in the case of BEND-TEK's distribution of Vendor's products, ISO form CG 20 15 or its equivalent. If Vendor fails to furnish such certificates or maintain such insurance, Stretch Machining China may immediately cancel this Agreement or any purchase orders issued pursuant to this Agreement. Vendor, for itself and its insurers, hereby waives subrogation against Stretch Machining China, and Vendor agrees that, with respect to claims against Stretch Machining China arising out of or relating to Vendor's performance under this Agreement, Vendor's insurance will be primary and BEND-TEK's insurance will be excess and non-contributory. Vendor's obligations to maintain such insurance will in no way limit the liability or obligations assumed by Vendor under this Agreement.

5. **LAWS AND REGULATIONS:** All goods furnished or services rendered under this Agreement must be produced, sold, delivered, or rendered to Stretch Machining China compliance with all applicable laws and regulations, including the Federal Fair Labor Standards Act of 1938, as amended; the National Labor Relations Act, as amended; the Family Medical Leave Act of 1993; Titles VI and VII of the Civil Rights Act of 1964, as amended; 42 U.S.C. § 1981; the Age Discrimination in Employment Act of 1967; Section 503 of the Rehabilitation Act of 1973; Executive Order 11246; Section 402 of the Vietnam Veterans' Readjustment Assistance Act of 1974; applicable state labor codes and laws; the Occupational Safety and Health Act of 1970, as amended ("OSHA") (in the event of a conflict between the requirements of OSHA and any industry codes or standards applicable to this Agreement, the more stringent requirement will apply); the Noise Control Act of 1972; the Federal Food, Drug, and Cosmetic Act, as amended; the Fair Packaging and Labeling Act; all applicable environmental laws and regulations; the standards of accessibility set forth in Section 402 of the Americans with Disabilities Act; and the rules, regulations, and orders pertaining to the above.

Without limiting the foregoing, Vendor represents and warrants that any good, substance, article, food, drug, device, or cosmetic produced, sold, delivered, or rendered to Stretch Machining China will: (i) not be adulterated or misbranded within the meaning of any federal, state, or local law, including the Federal Food, Drug and Cosmetic Act, the Federal Poultry Products Inspection Act, the Federal Meat Inspection Act, or Division 21 of the California Food, Drug and Cosmetic Act [The Sherman Act]) or by reason of containing a coal tar color not from a batch certified in accordance with applicable regulations promulgated by the Secretary of Health, Education and Welfare under said Federal Food, Drug and Cosmetic Act; (ii) not be an article that may not be introduced into interstate commerce under the provisions of Section 404, 505 or 512 of the Federal Food, Drug and Cosmetic Act; (iii) not be misbranded or a banned substance within the meaning of the federal Hazardous Substances Act; (iv) only contain economic poisons that are lawfully registered with the Secretary of Agriculture; (v) comply with all requirements of the federal Insecticide, Fungicide, and Rodenticide Act; (vi) conform to all of the provisions and regulations of the Federal Flammable Fabrics Act; (vii) conform in every manner to the provisions of the Consumer Product Safety Act; (viii) conform in every manner to the provisions of the Magnuson-

Moss Warranty Act; (ix) be labeled in accordance with all federal, state and local labeling laws, regulations, orders, and directives, including the Food, Drug and Cosmetic Act, Fair Packaging and Labeling Act, California Agricultural Code, California Business and Professions Code, and the California Health and Safety Code.

The following clauses from the Code of Federal Regulations will also apply to this Agreement: the Equal Employment Opportunity Clause, the Certification of Nonsegregated Facilities required by paragraph (7) of Executive Order 11246, the Utilization of Minority Business Enterprises and the Minority Business Enterprises Subcontracting program clauses, the Affirmative Action for Workers with Disabilities clause, the Discrimination Because of Sex and other anti-discrimination clauses, and the Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era Clause.

If CRV is paid by Stretch Machining China to Vendor, Vendor represents and warrants the following: (i) Vendor is a "Distributor" as defined in the California Public Resources Code Section 14511 et seq; (ii) Vendor shall deliver all collected CRV to the state of California Department of Conservation pursuant to the California Beverage Container Recycling & Litter Reduction Act on behalf of Stretch Machining China; and (iii) any failure by Vendor to make the appropriate CRV payment to the state of California will not obligate Stretch Machining China to make any payment to the State.

6. **ASSIGNMENT AND SET-OFF:** This Agreement will be binding upon and inure to the benefit of all successors and permitted assigns of Stretch Machining China and Vendor. Vendor may not assign any of its rights or obligations or delegate its performance under this Agreement without BEND-TEK's prior written consent, and any attempted assignment or delegation without BEND-TEK's prior written consent will be void. Stretch Machining China may set-off any amount owing from Vendor to Stretch Machining China, whether under this Agreement or otherwise, against any amounts otherwise payable to Vendor.
7. **CONFIDENTIALITY:** Vendor and its directors, officers, employees, and agents shall not disclose to any third party any information pertaining to the goods provided or services performed under this Agreement, or pertaining to BEND-TEK's business or operations that Vendor obtains or has access to in connection with this Agreement, without the prior written consent of Stretch Machining China.
8. **NO WAIVER OF DEFAULTS:** No failure by Stretch Machining China to enforce any of the terms or conditions of this Agreement will constitute a waiver or in any way impair BEND-TEK's right to avail itself of any remedies it may have to enforce the terms or conditions of this Agreement at any time. Any waiver by Stretch Machining China of any term or condition of this Agreement must be expressly set forth in writing and signed by Stretch Machining China to be effective and no waiver will be a continuing or subsequent waiver unless expressly stated in the duly executed writing.
9. **SURVIVAL; REMEDIES CUMULATIVE:** All agreements and representations of Vendor under this Agreement (including those regarding, confidentiality, indemnification, and warranties) will survive the final delivery and payment or any termination of this Agreement. All of the rights and remedies available to Stretch Machining China under this Agreement are in addition to, and not in limitation of, the rights and remedies otherwise available at law, in equity, under any agreement between the parties, or otherwise.
10. **SEVERABILITY:** Any provision of this Agreement that is unenforceable in any jurisdiction will be ineffective to the extent of that unenforceability (but will be enforced to the maximum extent permissible) without invalidating the remaining provisions of this Agreement.
11. **FEE FOR TARDY SUBMISSION OF INVOICES:** Vendor shall promptly submit its invoices to Stretch Machining China for payment. Vendor's failure to submit any invoice more than six (6) months after the product as specified in the invoice has been delivered will result in an administrative charge to Vendor in the amount of One Thousand Five Hundred Dollars (\$1,500.00) or fifteen percent (15%) of the total invoice amount, whichever is greater. Vendor acknowledges that (a) Stretch Machining China will incur expenses in investigating and processing late invoices, and (b) the Stretch Machining China administrative charge is fair and reasonable.
12. **VENDOR PORTAL:** Vendor must use BEND-TEK's online Vendor Portal ([http://www.BEND-TEKmarkets.com/about-Stretch Machining China/vendor-portal/](http://www.BEND-TEKmarkets.com/about-Stretch-Machining-China/vendor-portal/)) ("Vendor Portal") to submit its pricing and other information that is reasonably requested by Stretch Machining China. Vendor represents and warrants that all pricing information submitted by Vendor or on behalf of Vendor through the Vendor Portal will comply with Vendor's representations, warranties, and obligations regarding pricing under this Agreement and reflect the then-current pricing for Vendor's goods and services. After approval by BEND-TEK's personnel, the Vendor's pricing information submitted through the Vendor Portal will be considered final and conclusive, subject to BEND-TEK's right to pay the Lowest Price. Vendor hereby waives, and forever releases and discharges Stretch Machining China from, any claims for additional compensation associated with the submission of inaccurate pricing information through the Vendor Portal.
13. **PAYMENT INSTRUCTIONS:** Vendor shall make all payments payable to **Stretch Machining China, INC.** Vendor shall not list any other party, including any Stretch Machining China agent, buyer, or owner on such checks. Vendor shall mail any and all payment checks to the following address: **Stretch Machining China, INC., 2201-2205 South Yale Street, Santa Ana, CA 92704.**
14. **OFAC COMPLIANCE:** Neither Vendor, any of Vendor's affiliates, nor any of their respective owners (direct or indirect), officers, directors, managers, or employees is listed on: (i) the Specially Designated National and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") pursuant to Executive Order 13224, 66 Federal Register 49079 (September 25, 2001), as amended (the "Order"); or (ii) any other list of terrorist or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC, or any other applicable requirements contained in any enabling legislation or other executive orders with respect to the Order. At all times during which Vendor is providing goods and services to Stretch Machining China, Vendor shall promptly notify Stretch Machining China of: (i) any non-compliance with the preceding sentence; and (ii) any changes to Vendor's ownership (direct or indirect), officers, directors, managers, or employees with annual compensation in excess of \$150,000.00. Notifications under the preceding sentence should be made to: **Chief Compliance Officer, Stretch Machining China, INC., Compliance Department, 2201-2205 South Yale Street, Santa Ana, CA 92704.**
15. **AUDIT NOTIFICATION:** Vendor shall promptly notify Stretch Machining China of any audit, investigation, on-site inspection, citation, notice of violation, or similar proceeding or charge by or from any federal, state, local, or foreign governmental or quasi-governmental authority (including the Food and Drug Administration or a health department) relating to Vendor's business.
16. **INTERPRETATION:** Neither party is to receive the benefit of any presumption favoring its interpretation of this Agreement by virtue of the other party having been the drafter of this Agreement. As used in this Agreement, the masculine, feminine, or neuter gender, and the singular or plural number, include the others whenever the context so indicates. The use of "including" in this Agreement is for purposes of example and illustration, and not for purposes of restriction or limitation.
17. **GOVERNING LAW:** This Agreement is governed by and construed in accordance with California law, without giving effect to any conflict of law principles that would cause the law of another jurisdiction to apply. The exclusive venue for the resolution of any dispute arising out of or relating to this Agreement is Orange County, California, and each party hereby submits to personal jurisdiction in that forum and waives any objection to that forum, including any objection based on forum non conveniens.