

## PURCHASE ORDER TERMS AND CONDITIONS

Rev. G1 11/14/2017

THE FOLLOWING **GENERAL TERMS AND CONDITIONS (GTC)** APPLY TO ALL PURCHASE ORDERS AND CONTRACTS, UNLESS OTHERWISE NOTED. **SPECIFIC AT QUALITY REQUIREMENTS (ATQMR) CLAUSES** APPLY WHEN NOTED ON THE PO.

- GTC **RIGHT OF ENTRY.** THE BUYER AND BUYERS CUSTOMER, AND THEIR CUSTOMERS, OR ANY APPLICABLE REGULATORY AGENCY WILL HAVE THE RIGHT TO ENTER THE SELLERS FACILITY TO PERFORM INSPECTION OR ENSURE COMPLIANCE TO THE CONTRACT.
- GTC **ACCEPTANCE** OF THIS ORDER, OR THE INITIATING OF ANY PROCESS, OR THE FURNISHING OF ANY PRODUCT, OR THE ACCEPTANCE OF PAYMENT, CONSTITUTES UNCONDITIONAL ACCEPTANCE BY THE SELLER.
- GTC **AMENDMENTS** TO THIS ORDER, OR AT TERMS AND CONDITIONS SHALL BE SET FORTH IN WRITING, VIA PURCHASE ORDER CHANGE NOTICE, AND /OR REVISIONS TO THE PURCHASE ORDER TERMS AND CONDITIONS. AT WILL CONSIDER SELLERS REQUEST TO MODIFICATION OF, OR EXCEPTION TO, ONLY IF SUCH REQUEST IS MADE IN WRITING, PRIOR TO THE ACCEPTANCE OF THE ORDER (REF. ACCEPTANCE CLAUSE)
- GTC **PRICE** AS STATED ON THIS ORDER COVERS ALL GOODS AND SERVICES TO BE PROVIDED BY THE SELLER AS SPECIFIED IN THE ORDER. THESE PRICES ALSO COVER ALL CHARGES FOR PACKAGING, CONTAINERS, AND TRANSPORTATION, UNLESS SPECIFICALLY DEPICTED OTHERWISE ON THE FACE OF THE ORDER.
- GTC **SHIPMENT** OF GOODS AND SERVICES UNDER THIS ORDER SHALL BE F.O.B AS SET FORTH ON THE FACE OF THE ORDER. SELLER SHALL FOLLOW BUYERS INSTRUCTIONS REGARDING METHOD OF SHIPMENT, EXCEPT WHERE BUYER HAS SO STATED ON THE FACE OF THE ORDER. SUPPLIER SHALL NOT SHIP ORDER TO EARLY UNLESS OTHERWISE AUTHORIZED BY PURCHASE ORDER.
- GTC **SCHEDULE** FOR DELIVERY WILL BE THE RESPONSIBILITY OF THE SELLER. THE SELLER SHALL NOT BE HELD LIABLE FOR DAMAGES IN RESPECT TO DELIVERY DELAY DUE TO CAUSES BEYOND SELLERS REASONABLE CONTROL. HOWEVER, IF THE SELLER DOES NOT MEET THE DELIVERY DATE AS DEPICTED ON THE FACE OF THE ORDER, THE BUYER MAY APPROVE A REVISED DELIVERY SCHEDULE, OR TERMINATE THE ORDER WITHOUT LIABILITY FOR SUCH TERMINATION.
- GTC **HAZARDOUS MATERIAL** SELLER AGREES TO FURNISH THE APPLICABLE MATERIAL SAFETY DATA (MSDS) SHEET(S) WITH EACH SHIPMENT, FOR PRODUCTS DESIGNATED BY INDUSTRY, STATE, OR FEDERAL AGENCIES AS HAZARDOUS MATERIAL.
- GTC **PACKAGING AND PROTECTION** OF THE PRODUCT SHIPPED SHALL BE IN ACCORDANCE WITH THE AT PO OR BEST COMMERCIAL PRACTICE TO PROTECT PRODUCT FROM DAMAGE, CORROSION, CONTAMINATION, INTRODUCTION TO FOREIGN OBJECT DEBRIS (FOD) AND/OR DETERIORATION.
- GTC **CANCELLATION** SHALL REMAIN THE RIGHT OF THE BUYER AND MAY BE INITIATED AT ANY TIME.
- GTC **TOOLING** FURNISHED BY AT SHALL BE MAINTAINED INDOORS, THE SELLER IS RESPONSIBLE TO ENSURE ADEQUATE CARE IS UTILIZED WITHIN THEIR FACILITY, TO MAINTAIN THE TOOLING IN GOOD WORKING CONDITION. ANY DAMAGES TO THIS TOOLING, WHILE IN THE CARE OF THE SELLER SHALL BE REPORTED TO THE AT BUYER IN WRITING. AT SHALL DISPOSITION DAMAGED TOOLING PRIOR TO FURTHER PROCESSING BY THE SELLER. SELLER REWORK OF AT FURNISHED TOOLING SHALL BE AUTHORIZED IN WRITING.
- GTC **QUALITY ASSURANCE.** The supplier shall comply with the AT Quality System requirements as specified by the AT Supplier Survey or purchase order. Supplier agrees to implement and maintain the Quality or Inspection System during the performance of this contract. An authorized Certificate of Conformance is required with each shipment. Process suppliers shall furnish a complete Certificate of Conformance with each shipment indicating Supplier Name, Part Number, PO number, specification number and revision, Buyer Job Number, quantities accepted and rejected. Material suppliers shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, melt, heat, batch, or lot. Additional AT Quality Requirements (ATQMR clauses) apply when referenced by PO. The supplier is not authorized to perform Material Review action of nonconforming material. Note: This clause does not apply to contracts for AT non-deliverable goods or services.
- GTC **AWARENESS** Supplier shall ensure that personnel doing work on Buyer materials/products are aware of their contribution to product or service conformity; their contribution to product safety and the importance of ethical behavior.
- GTC **NONCONFORMANCES** Upon acceptance of an AT purchase order, the supplier agrees that AT is entitled to reimbursement of AT labor and material costs associated with seller responsible nonconformances and damages. The supplier shall notify AT of any non-conforming product prior to delivery and for product after delivered. Notification by Supplier shall be done immediately when discovered and **within 48 hours after delivery**. Supplier shall also identify and keep non-conforming product separate from conforming product. Supplier may request AT for delivery approval of non-conforming product by submitting non-conformance(s) on a supplier or AT non-conforming report.
- ATQMR 1 The supplier shall implement a Quality System in compliance with ISO9001 & SAE AS9100
- ATQMR 2 Supplier shall have a system to control, segregate and identify Buyer supplied material and/or gages. Substitution or replacement of Buyer material is prohibited. Any loss, damage or unsatisfactory conditions to Buyer gages/material must be promptly communicated to Buyer.
- ATQMR 3 The supplier and supplier subcontractors shall maintain adequate tools, gages, and test equipments to ensure product meets contract or specification requirements. Calibration System must be in compliance with Calibration System Requirements of ISO10012 or ANSI Z540-1.
- ATQMR 4 AT Source Inspection and/ or Customer Verification is required at supplier facility (when noted on purchase order) prior to shipment. AT will place an Inspection Stamp on the supplier shipper to indicate AT acceptance. Contact AT at least 48 hours prior to shipment from supplier facility.
- ATQMR 5 When Government Source Inspection is required at supplier facility prior to shipment, supplier shall contact AT and applicable Government Representative to arrange for Government acceptance prior to shipment from supplier facility.
- ATQMR 6 The supplier shall perform and document a complete First Article Inspection Report (**FAIR / AS9102**) including 100% of B/P or specification requirements. One copy of supplier FAIR will be furnished to AT Inc. along with the first shipment for this PO/contract. Supplier shall control all copies of Buyer documents while in their possession. Documents issued for manufacturing purposes shall be returned upon completion of purchase order.
- ATQMR 7 The supplier shall implement and maintain a Key Characteristics (KC) control program acceptable to AT.
- ATQMR 8 The supplier shall provide an Inspection Report (IR) identifying engineering requirements and actuals. Use of supplier or AT inspection form is acceptable. One copy of the IR shall be furnished to AT representing each manufacturing lot.
- ATQMR 9 The supplier shall perform 100% inspection of the AT noted characteristics, a record of the inspection results shall be provided to AT, sampling inspection is not allowed.
- ATQMR10 The supplier shall comply with the AT Special Quality Requirement noted (As defined by AT QA): Supplier's making changes in their work environment, (personnel, location, equipment etc. ) that may have an impact on product quality must notify Accurate Technology Management in writing, of changes prior to commencement of work. Supplier shall maintain record retention for 10 yrs.

## PURCHASE ORDER TERMS AND CONDITIONS

Rev. G1 11/14/2017

- ATQMR11 Supplier shall establish and maintain a **Counterfeit** Parts/Material Prevention/Avoidance and Control Plan. The process shall be to prevent and control the delivery of counterfeit material and parts to Buyer. Buyer has identified counterfeit parts/material as a suspect part/material that is an unauthorized copy, imitation, substitute, or modified without legal authority to do so or one whose material, performance or characteristics are knowingly misrepresented by a supplier in the supply chain as genuine. The process shall be to prevent and control the delivery of counterfeit material and parts to Buyer. Suppliers performing work under a Buyer purchase order agree to and shall ensure that counterfeit material/parts are not supplied to Buyer. Supplier shall only purchase products to be incorporated into Buyer products directly from OCM, OEM, or through an OCM/OEM authorized distributor chain. Supplier shall immediately notify Buyer in writing if the supplier becomes aware or suspects that counterfeit material/parts were furnished to Buyer
- ATQMR12 Any supplemental special processes (e.g. heat treatment, non-destructive testing, etc.) shall be performed by Nadcap certified suppliers unless otherwise authorized by Buyer
- ATQMR13 All test samples shall be clearly identified and kept separate
- ATQMR14 Suppliers of special processors shall maintain Nadcap approval for processing designated on purchase order. Any change of Nadcap certification status or scope of approval must be communicated to Buyer.