



TERMS AND CONDITIONS:

With acceptance of this purchase order, the external provider (also known as Supplier or Vendor) agrees to the following conditions as specified by the International Standard (AS9100, AS9110, AS9120, ISO9001) and/or customer requirements which include, but is not limited to the following:

The seller warrants that in the performance of this PO, seller shall comply with all applicable statutes, rules, regulations, and orders of the Government and any of the state or political subdivision thereof, and agrees to indemnify our company against any loss, damage, cost, or liability by seller's violation of this warranty.

Our organization reserves the right of final approval of product, procedures, processes, and equipment. All special processes required by this PO must be performed by qualified / competent personnel.

Key, critical, and special characteristics are to be identified and controlled as noted on the PO or specification.

RIGHT OF ACCESS

Right of access by our organization, our customer, and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records to include verification and validation on site, as defined on the PO and arranged with the supplier.

QUALITY MANAGEMENT SYSTEM

External Provider including their sub-tier providers must have implemented a Quality Management System (QMS). Our organization reserves the right to review and approve the Quality Management System. Standard QMS Requirements Include:

Suppliers providing calibration services must provide evidence of calibration traceable to NIST and maintain accreditation to ISO17025. Certificates must also identify "as received" and "as returned" conditions in whatever terminology deemed appropriate. Notification must be made if items are damaged, out-of-tolerance, or unable to calibrate as soon as possible for potential impact review.

Suppliers providing special processing must maintain a system for validating processes.

Customer Directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.

External providers that are approved for use via Certification (ISO, AS9100, ISO 17025, NADCAP, etc.) must notify G&R Machining of any changes to that certification.

The Supplier shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.

FLOW DOWN

External Provider will flow down all requirements including customer requirements. External Provider shall use customer-designated or approved external providers, including special process sources when directed.

**COMPETENCY AND AWARENESS**

External Provider ensures that personnel performing work that affect product or service conformity are competent based on education, experience and/or appropriate training. Those persons must also be made aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

NON-CONFORMING MATERIAL (OUTPUTS)

External Provider shall notify our organization of non-conforming product within 24 hours of discovery of such non-conformity, regardless of whether it be prior, during, or after receipt of the product. We do not grant disposition authority for non-conforming products. No known non-conforming product shall be shipped to us without our written authorization.

CHANGES

External Provider shall notify our organization of changes in product and/or process, changes of sub-tier suppliers, and changes of manufacturing facility locations, or any otherwise agreed upon term of the contract within 24 hours. Failure to provide notice within that time will cause you to be subject to any and all damage suffered by G&R Machining due to its failure to receive the ordered parts in a timely fashion.

WARRANTIES

The Supplier warrants the material will be free from defects in workmanship and material, free from defects in design and be of merchantable quality.

INSPECTION

The Supplier shall inspect all material prior to shipment. Any material may be inspected and tested by G&R Machining. The inspection records shall be available to all parties. If any material is determined defective or nonconforming the Supplier will be notified of the disposition of the material: return to Supplier, accept parts as is or suitable replacements. If the Supplier fails to provide suitable replacements promptly G&R Machining may elect to terminate the order.

FLOW DOWN

Flow down to the supply chain the applicable requirements including all PO requirements to the supplier's sub-tier of any approved outsourced products or services id required.

SUPPLIER PERFORMANCE MONITORING

Performance of suppliers is monitored using specific metrics data that includes but not limited to Quality performance of parts and services and On-time delivery performance [$\geq 90\%$], and additional customer service-related factors.

CORRECTIVE ACTIONS

Corrective Actions flowed to the External Provider shall be completed and returned in a timely manner. External Provider is required to flow down corrective action requirements to sub-tier providers when it is determined that the sub-tier provider is responsible for the non-conformity.



RECORD RETENTION

External Provider shall retain all Records including disposition requirements associated with the Purchase Order as required by contract for a minimum period of 10 years and shall be available to G&R Machining upon request.

FOREIGN OBJECT DEBRIS/DAMAGE (FOD) PREVENTION

A) Seller shall maintain a FOD prevention Program. FOD program shall include the review of manufacturing process to identify and eliminate FOD entrapment areas through which foreign objects can migrate. Seller shall ensure work is accomplished in a manner to prevent FOD in deliverable items. Seller shall maintain work areas in a manner sufficient to preclude the risk of FOD incidents. Seller shall investigate each FOD incident and ensure elimination of its root cause.

B) Buyer shall have the right to perform inspections to verify the FOD Program and audit the Seller's facility to ensure the effectiveness and documentation of sellers FOD Program. Seller shall identify a FOD control person responsible for the FOD Program.

C) Seller shall have periodic self-assessment of its internal FOD practices for compliance to requirements and its effectiveness.

PREVENTION OF COUNTERFEIT PARTS

When specifically required on the corresponding PO, the Supplier shall plan, implement, and control their process for the avoidance and detection of counterfeit parts from entry into the supply chain and additionally flow such requirements to their sub-tiers.

SHELF LIFE

All materials including but not limited to epoxies, RTVs, thermal compounds, glues, solder pastes, fluxes, rubber tubing, seals, gaskets and all such materials wherein there is a concept of shelf life when supplied by the supplier, shall have a minimum of 80% shelf life remaining at the time of receiving such contents.