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Altech Machining, Inc. Terms and Conditions

The terms and conditions listed in this document are mandatory and are applicable to all purchase orders issued by Altech Machining.

These Terms and Conditions are incorporated into every Purchase Order by referencing Document #PR-220, on the Purchase Order.

Altech Machining Inc. Terms & Conditions

General Requirements:

Subcontractor Quality System Requirements

The subcontractor shall maintain a quality system in compliance with applicable ISO 9000 series standard (or MIL-I-45208, obsolete.) The system chosen shall be dependent upon the complexity of the work, the methods used, and the skills and training needed by personnel involved in carrying out the activity.

Subcontractor Inspection System Requirements

The subcontractor shall maintain an inspection system which assures that all products or services provided under this order conform 100% to the Purchase Order's drawings, specifications, and/or other requirements. Records of all inspections performed must be kept on file for review.

Subcontractor Calibration System Requirements

The subcontractor shall maintain a calibration system that includes documented procedures to control, calibrate and maintain inspection, measuring and test equipment (including test software) used by the supplier to demonstrate the conformance of product to the specified requirements. Inspection, measuring and test equipment shall be used in a manner which ensures that the measurement uncertainty is known and is consistent with the required measurement capability.

Calibration Services: Contractors performing calibration services for Altech shall use equipment which has been calibrated and maintained in compliance with ANSI/NCSL Z540.3 or ISO 17025. Calibration certifications for calibrated equipment shall contain information as specified in ANSI/NCSL Z540.3, 5.3.8.

Inspection and Right of Entry

Altech Machining reserves the right of access to your facility, at any time during the performance of an order, for the purposes of inspecting the material included in this order or the records associated with the material; or, having given reasonable notice for the purpose of auditing your quality system. Altech also reserves these rights for authorized representatives of its customers and regulatory authorities.

Product Conformity, Safety, & Ethical Behavior

Altech Machining requires you to be aware of the contribution to product or service conformity, your contribution to product safety, & the importance of ethical behavior.

ITAR Requirements

If the Purchase Order, blueprint or any other data received is marked "ITAR CONTROLLED" the parts and/or technical data are controlled by the INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR). They are subject to the export control laws of the US Government. They are not to be placed in the public domain, exported from the US, or given to any foreign person in the US without the prior, specific written authorization of the US Department of the State.

Packing Requirements

All packing and packaging shall comply with the best commercial practice and applicable carrier's regulations. Care shall be taken to protect all parts from damage during manufacturing, processing, handling, and shipping.

- 5.a The use of newspapers for packaging products is prohibited.
5.b The use of Styrofoam pellets (popcorn pellets) for packaging is prohibited.
5.c Specific shipping, handling and/or packaging requirements must be followed when included in the body of the Purchase Order.

Altech Furnished Equipment

Altech's inspection tools may be loaned to supplier for the purpose of verifying the work performed on the Purchase Order. Such equipment shall be properly handled and maintained so as to assure the accuracy of the instrument. Loaned items shall be returned with the parts upon completion of the Purchase Order, unless other arrangements have been made.

Blueprints and Specifications

Blueprints and specifications necessary to perform the work detailed on the Purchase Order may be supplied to supplier upon request. Supplier shall return the prints and specifications upon completion of the Purchase Order, unless other arrangements have been made.

Customer Approved Sources

When P.O. states "Customer approved sources required" or Customer approved sources only" supplier must be customer approved or inform Altech if they are not customer approved for that process and shall not perform the work. Supplier shall not subcontract any order requiring customer approval.

Subcontracting Work

Supplier shall not subcontract any work issued on an Altech Purchase Order without prior approval by Altech Management. If approval is given, Supplier is responsible for flow down to sub-tier suppliers all applicable requirements in Altech's Purchasing documents, which includes Altech's T & C's. Supplier must also flow down key characteristics where required. PO requirements shall take precedence over the requirements stated herein, should a conflict occur.

Supplier is required to notify Altech Machining of changes in product and/or process definition, location change and, where required, obtain Altech Machining approval.

Supplier shall also ensure its personnel are aware of:

- Their contribution to product or service conformity;
- Their contribution to product safety;
- The importance of ethical behavior

Non-conforming Product

Supplier shall notify Altech immediately of any product that does not conform to the requirements of the drawings, specifications or other requirements of the Purchase Order. Any proposed deviation (before the fact), or any departure (after the fact), must be submitted to Altech's General Manager for approval prior to shipment.

Certificate of Conformance/Certification of Process

Processors performing special processes shall submit with each shipment a Certification of Process. Certifications must be complete, legible, reproducible and authentic. Certification shall include the typed or printed name, the title of the authorized representative, that person's signature, and date.

Subcontractors performing other than special processes shall submit with each shipment a legible typed or printed certified statement (C of C) that the items listed therein comply fully with all Purchase Order Requirements. The "C of C" shall include

as a minimum: Supplier's name & address, authorized representatives typed or printed name with signature and title, the date, quantity, part number, revision, Altech's Purchase Order number, and process specifications, as applicable.

Retention/Disposition of Documents

Records shall be generated and used to provide evidence of conformance to product and process and Purchase Order requirements. All records shall be maintained on file for a minimum of 20 years, Supplier can disposition retained documents by destroying/shredding them after the specified retention period, providing they give Altech Machining a 30-day advance notice.

Corrective Actions

Corrective action may be requested from a supplier when nonconforming material or services are delivered to Altech. The Corrective Action Request (CAR) must be completed by the supplier and returned to Altech within the specified time frame shown on the CAR. Failure to provide an acceptable response may result in supplier being removed from Altech's Approved Supplier List.

Additional Purchase Order Requirements

When additional quality requirements are requested, they shall be listed in the body of the Purchase Order. Typically, these requirements are mandated by our customer to be flowed down to sub tier suppliers. If you are unable to meet the additional requirements you must notify Altech Machining prior to performing the work.

Counterfeit Parts Prevention

- a) For purposes of this clause, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair but is altered and misrepresented as acceptable.
- b) SELLER agrees and shall ensure that Counterfeit Work is not delivered to Altech.
- c) SELLER shall only purchase products to be delivered or incorporated as Work to Altech directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by Altech.
- d) SELLER shall immediately notify Altech with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Work. When requested by Altech, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.
- e) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation Altech's costs of removing Counterfeit Work, of reinserting replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies Altech may have at law, equity or under other provisions of this Contract.
- f) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Contract addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.
- g) SELLER shall include paragraphs (a) through (d) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to Altech Machining, Inc.

Contract Compliance and Awareness of Malpractice Prevention (EB 2678)

Appendix B - Section 2.2 "Suppliers and sub-tier Suppliers shall be aware and vigilant for Malpractice and Fraud and Falsification (F&F), as it affects contract compliance. All parties associated with product and services destined for ultimate delivery to the Purchaser must be aware that Malpractice and F&F are grave and serious matters. The act of Malpractice or F&F has the potential for severe and costly damages. "Section 3.1 "g.) Alert all sub-tier Supplier's of malpractice and F&F by passdown of this specification in supplier purchase orders." Onsite supplier quality audits will contain a verification question for awareness of malpractice prevention.