

Purchase Order Terms and Conditions

THE FOLLOWING GENERAL TERMS AND CONDITIONS (GTC) APPLY TO ALL FABRICATION TECHNOLOGIES, LLC. PURCHASE ORDERS AND CONTRACTS, UNLESS OTHERWISE NOTED. SPECIFIC FABTEK QUALITY REQUIREMENTS (QR1-8) CLAUSES APPLY WHEN NOTED ON THE P.O.

General Terms and Conditions

ACCEPTANCE of this order, or the initiating of any process, or the furnishing of any product, or the acceptance of payment, constitutes unconditional acceptance of this order and applicable Terms and Conditions.

AMMENDMENTS to this order, changes to product or process definition, or supplier logistics, which alters strict compliance with this P.O., or changes and/or exceptions to these Terms and Conditions may be made from time to time and will be set forth in writing via Purchase Order Change Notices once approved by FabTek. Requests of such changes shall be presented to FABTEK, in writing, as soon as possible.

RIGHT OF ENTRY to all facilities involved in the procurement of this order, is reserved by FABTEK, its customers, and/or all of its Regulatory Authorities to review documentation and perform inspection on site/s to ensure compliance with this P.O.

RECORD RETENTION of all documents generated in the procurement of this order shall be kept for a minimum of 3 years.

SCHEDULE for delivery of all goods or completion of services will be the responsibility of the supplier. FABTEK may approve revised scheduling, once provided by supplier in writing to FABTEK, if there is a delay outside the control of the supplier to furnish product or services in accordance with schedule on P.O. However if the supplier does not meet the schedule on the accepted P.O., FABTEK reserves the right to terminate the order without liability for such termination.

CANCELLATION shall remain the right of FABTEK, and may be initiated at any time and shall be free of liability to FABTEK prior to the receipt of goods or completion of services. Processing and general services may have cost prorated to evaluate liability amount if cancellation occurs after commencement of work in accordance with accepted P.O. This cost will not exceed previously accepted P.O. amount and shall be amended via P.O. change notice prior to final invoicing.

PACKAGING AND PROTECTION of the product shipped shall be completed in accordance with FABTEK P.O. or best commercial practice in order to prevent damage or deterioration to the product and will be free of Foreign Object Debris (FOD).

CERTIFICATIONS will be provided and at a minimum: supplier company name and location, contact information, shipper number, date, FABTEK P.O. number, part number, serial number (if applicable), part name, quantity, unit of measure, certifications, compliant specifications and revision (if applicable), test and/or inspection data (if applicable), and test reports (if applicable). A signed and dated statement of quality, from authorized representative, stating that all methods and/or materials used to fulfill this order are in accordance with P.O. instructions and applicable specifications and that all required inspections and/or tests have been successfully completed.

NONCONFORMING PRODUCT may be returned to the supplier for rework or credit and will be sole financial responsibility of the supplier. Nonconforming product found to be scrapped out due to supplier failure to process per FABTEK P.O. instructions will be sole financial responsibility of the supplier and recovery cost thereof may be determined by sum of material, pre-existing manufacturing and processing costs. Nonconformance detected by supplier will be issued to FABTEK, along with a Failure Analysis Report prior to shipment of goods and will include the following at a minimum: supplier company name and location, contact information, shipper number, date, FABTEK P.O. number, part number, serial number (if applicable), part name, quantity, unit of measure, certifications, applicable specifications and revision (if applicable), test and/or inspection data (if applicable), and test reports (if applicable), reject document identification number, description of failed items or components, cause of the failure, corrective action to prevent future failures, and effectivity of such corrective action. Approval of product and/or shipment must be received from FABTEK before shipment in such case.

FLOWDOWN of all requirements listed on the P.O. and on these Terms and Conditions must be further flowed down to all sub-tier suppliers involved in the procurement of the order. Flowdown also includes management of key characteristics listed, if any.

INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR) are in effect for this order, as this purchase order and/or appendage thereof contains technical data which is subject to export control laws of the US Government. Transfer of this data by any means to a foreign person, whether in the U.S. or abroad, without an export license or any other approval from the U.S. Department of State or of the U.S. Department of Defense Trade Controls is strictly prohibited.

Specific Quality Terms and Conditions

- QR1** The supplier shall implement and maintain a Quality Management System compliant with ISO9001, AS9100. Any changes to Supplier Quality Certification will be issued to FABTEK immediately upon effect.
- QR2** The supplier shall implement and maintain a calibration system compliant with Calibration Requirements ISO10012; ANSI Z540-1 or ISO 17025 NONCONFORMING CALIBRATION RESULTS of test equipment will be issued to FABTEK as soon as possible after determination.
- QR3** The supplier shall control and document dimensional properties of Key Characteristics per inspection plan.
- QR4** The supplier shall perform and document a complete First Article Inspection Report as well as an Inspection Report for the balance lot using Zero Defect Sampling Plan on 100% of dimensional properties.
- QR5** The supplier shall perform 100% inspection of noted dimensional characteristics on each piece. Serialization of each piece is to be completed when specified on the P.O. and results submitted via inspection report documentation matching the serial number.
- QR6** FABTEK, its customers and/or regulatory authorities require an Interim or Final Source Inspection at supplier facility at designated inspection point/s as detailed in P.O. body. Inspection to be confirmed using an Inspection stamp entry on the supplier router and/or shipper. Please contact FABTEK 48 hours prior to schedule Source Inspection activity.
- QR7** Material and/or product acquisitions are pursuant to the Specialty Metal requirements of DFARS 252.225-7014 Alt 1. Supplier shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, heat or lot number, and manufacturer name and location. The general shape, type, temper and condition of purchased material will be supplied unmodified direct from the material manufacturer. Do not heat treat, process or modify manufacturer's material unless expressed in writing by FABTEK. Violations will be rejected and returned at Supplier's expense.
- QR8** The Supplier will use only FABTEK approved sources concurrent with Customer Qualified Products List (QPL) and Qualified Manufacturer List (QML) when applicable. Designated sources must be used, and any deviation thereof will be considered breach of contract and the product nonconforming.

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