

**General Quality Requirements that apply to all purchase orders:**

**Outsourcing**

Seller may not subcontract any substantial portion of work to their own supply base, unless written authorization from B-Tec Solutions is obtained.

**Right of Entry**

By acceptance of this Order Seller grants Buyer, Buyer's Customers and/or governmental/regulatory authorities right of entry to determine and verify the quality of work, records, and material at any place; subject to restrictions which may have been pre-negotiated to protect the confidentiality of supplier-proprietary processes.

**Supplier Quality System**

Seller must maintain an adequate Quality system to provide the supplies and services that meet the requirements of this Order, and all applicable specifications and/or engineering drawings. As a minimum, the supplier shall perform work in compliance with the requirements of ISO9000/AS9100 U.O.S.

**Reporting of Defects**

Supplier shall immediately notify Buyer in writing of known discrepancies or rejections present at Supplier's facility pertaining to the items of this Order, and those that may have already been shipped to Buyer.

**Non-Conformances**

No inspection, test or prior approval or acceptance, and no delay or failure to inspect, test or give prior approval or acceptance, or failure to discover any defect or other nonconformity, shall relieve the Seller of any of its obligations nor impair any rights or remedies of Buyer or Buyer's Customers. Buyer may reject or revoke acceptance of any or all Goods, including tender thereof, which are not strictly in conformance with all of the requirements of this Order, and shall notify Seller of such rejection by notice, rejection tag or other communication.

**Record Retention**

Unless otherwise stated all data and records maintained by the Supplier in support of this Order will be subject to review at the Supplier's facility, and kept on file for seven (7) years after final payment. After 7 year period, Supplier shall inform Buyer in writing and obtain approval before discarding data or records.

**SELECT QUALITY CLAUSES THAT MAY BE INVOKED ON A PURCHASE ORDER, IF A CLAUSE APPLIES, IT WILL APPEAR IN THE COMMENTS OF THE PO.**

**Material Test Reports (M.T.R) Required**

Work under this order requires that Seller provide Material Test Reports containing **ACTUAL RESULTS** of Chemistry and Physical Properties. The reports must certify that materials used or produced were controlled and tested in accordance with specified Order requirements and applicable specifications.

**Certificate of Conformance (C.O.C.) Required**

Work under this order requires that Seller certify that materials/finished parts/services and/or data was controlled and tested in accordance with, specified Order requirements and applicable specifications and that the items tendered meet those requirements.

**100 % Inspection Required**

Work under this Order is subject to 100 percent inspection of all product features and characteristics.

**First Article Inspection Required**

Supplier will be responsible to conduct a 100 percent first article inspection and record the results on B-Tec Form # QSF7042 or equivalent (with the understanding that all elements shall be addressed). The Supplier must list all drawing dimensions, tolerances and processes by specification number as provided by the drawing, and or attached documents. One copy of the inspection sheet must accompany the product.

**Source Inspection Required.**

Buyer Source Inspection is required at Seller's facility. The face of the purchase order will indicate whom to contact information to make arrangements. Product may not be shipped to the seller without this inspection or relief of this requirement in writing from the Buyer.

**Material Traceability Required**

Work under this order has lot number traceable requirements that must be maintained by Supplier from point of receipt through to delivery to Buyer.

**Handling Caution Required**

CAUTION: Handle with care, parts have critical surfaces or finishes that must be treated with extreme caution. Visual Appearance is imperative.

**ESD Handling Required**

Items shipped under this Order are for materials that are E.S.D.(Electro-Static-Discharge) Sensitive; precautions to avoid damage items must be observed during shipment and transit.

**Shelf Life Remaining**

The material under this order shall have a shelf life of at least 75% remaining at the time of shipment.

**Qualified Subtler Required**

This order requires that only certified vendors be used for any processes which are considered special (i.e. Heat Treating, Welding, Plating Process, etc.)

**AS9102 First Article Required**

This order or line item requires a AS9102 first article submittal to B-Tec Solutions upon time of shipment.

Standard Terms and Conditions (Applies to All Purchase Orders)



*Clauses are Categorized as Follows:*

- 000 Administrative General
- 100 Pricing/Taxes
- 200 Proprietary/Nondisclosure

<p><b>001</b> All specifications, drawings, or other documents which are referenced in this order, whether or not attached, are incorporated herein by references. Seller acknowledges that it has all such documents available and that they are adequate to enable performance of work.</p> <p><b>002</b> Seller agrees to enter into good faith negotiations with Buyer in the future and at Buyer's request, regarding the inclusion, revision, or deletion of provisions of this contract.</p> <p><b>003</b> Seller will be responsible for the prompt payment of all persons who perform labor upon or furnish services, materials, equipment, supplies, or other items used or to be used in the performance of the work called for by this order, and Seller shall defend, protect and save harmless B-Tec from and against all liens, claims, suits and actions for said items whether brought by Seller's suppliers or any lower tier suppliers.</p> <p><b>004</b> In the event Seller is unable to supply the items under the terms of this contract, or at the time, or in quantities, or quality required by Buyer, Seller agrees Buyer may obtain items from other suppliers.</p> <p><b>005</b> Buyer retains the right to offset invoices for any such amount deemed reasonable for costs incurred by Buyer due to quality defects or product deemed to be scrap by buyer.</p>	<p><b>006</b> Seller warrants that it has not made and will not make any gifts, loans, or grant other consideration to any employees of Buyer, directly or indirectly, in connection with this contract or otherwise. The breach of such a warranty shall constitute a default under this contract.</p> <p><b>007</b> Buyer shall have the right, even though Seller is not in default, to terminate this Order in whole or in part by written notice. In such an event Seller shall be paid the agreed price for the goods or services delivered to and accepted by Buyer, plus reasonable costs incurred on any partly completed goods or services so terminated, which shall in no event exceed the agreed price, less the aggregate of all prior payments made.</p> <p><b>008</b> This order sets forth the entire agreement, and supercedes any and all other agreements, understandings and communications between Buyer and Seller related to the subject matter of this order. No amendment or modification of this order shall be binding upon Buyer unless set forth in a written instrument signed by Buyer's representative.</p> <p><b>009</b> Seller shall in the performance of this order comply with all applicable Federal, state and local laws and all rules and regulations thereunder.</p> <p><b>010</b> When Seller provides material, it shall conform to all applicable governmental safety and environmental regulations as they apply to the country of manufacture and sale.</p>
<p><b>100</b> Seller shall issue a separate invoice for each delivery and shall not issue any invoice prior to the Order schedule date or actual delivery date, whichever is later. Payment will be made after receipt of Goods and correct invoice, unless freight or other charges are itemized, any discount may be taken on the full amount of invoice. Payment due date, including discount periods, shall be computed from the date of receipt of goods or correct invoice (whichever is later) to the date Buyer's check is mailed. Seller shall promptly repay to Buyer any amounts paid in excess of amounts due Seller.</p>	<p><b>101</b> Except as may be otherwise provided in this Order, the prices herein include all applicable federal, state and local taxes and duties.</p> <p><b>102</b> By acceptance of this Order, the Seller certifies that to the best of his knowledge and belief, all available, actual or estimated cost or pricing data were considered in the price as shown on this Order.</p> <p><b>103</b> Seller will not subcontract all or any portion of its performance upon this order, except outside special processes indicated on the face of the Order.</p>
<p><b>200</b> Buyer and Seller shall each keep confidential and protect from disclosure all (a) confidential, proprietary, and/or trade secret information; (b) tangible items containing, conveying, or embodying such information; &amp; (c) tooling obtained from and/or belonging to the other in connection with this order (collectively referred to as "Proprietary Materials"). Buyer and Seller shall each use Proprietary Materials of the other only in the performance of and for the purpose of this Order. Provided, however, that despite any other obligations or restrictions imposed by this Clause 200, Buyer shall have the right to use and disclose Seller's Proprietary Materials for the purpose of testing, certification, use, sale, or support of any item under this Order. Any such disclosure by the Buyer shall whenever appropriate, include a restrictive legend suitable to the particular circumstances. The restrictions on disclosure or use of Proprietary Materials by Seller shall apply to all materials derived by Seller or others from Buyer's Proprietary Materials. Upon Buyer's request at any time, and in any event upon the completion, termination or cancellation of this Order, Seller shall return all of the Buyer's Proprietary Materials, to Buyer unless specifically directed otherwise in writing from Buyer.</p>	<p><b>201</b> Seller shall not, without the prior written Authorization from Buyer, sell or otherwise dispose of (as scrap or otherwise) any parts or other materials containing, conveying, embodying, or made in accordance with or by reference to any Proprietary Information and Materials of Buyer. Prior to disposing of such parts or materials as scrap, Seller shall render them unusable. Buyer shall have the right to Audit Seller's compliance to this Clause 201.</p> <p><b>202</b> Seller may disclose Proprietary Information and Materials of Buyer to its subcontractors as required for the performance of this Order, provided that each such subcontractor first assumes, by written agreement, the same obligations imposed upon Seller under all Clauses in Section 200, and Seller shall be liable to Buyer for any breach of such obligation by such subcontractor.</p> <p><b>203</b> Seller shall not, and shall require that its subcontractors (of any tier) shall not, cause or permit to be released any publicity, advertisement, news release, public announcement in whatever form, regarding any aspect of this Order or the Goods or program to which they pertain without Buyer's prior written approval.</p>
<p><b>400</b> Shipments expected later than the Seller's contract shipping schedule require notification to the Buyer in accordance with the shipment/delivery clauses.</p> <p><b>401</b> All shipments from Seller shall meet the due date specified on the face of the Order from Buyer, movement in positive or negative direction shall be immediately communicated to the Buyer for assessment.</p> <p><b>402</b> Material shipped beyond the allowable Order tolerance, without prior approval from the Buyer, will at the Buyer's option be returned at the Seller's expense or the Seller will be assessed a \$150 handling charge.</p>	<p><b>403</b> The following information (when applicable) must be referenced on every packer: Supplier name, address &amp; phone number; B-Tec Order number &amp; line; Ship date; total quantity shipped and the quantity in each container; part number as shown on Order; legible packer/release note number; multiple boxes with the same packer number, must reference 1 of 3, 2 of 3, 3 of 3 etc.; copy of packer required on outside of box 1 and inside each subsequent box; description of item and unit of measure.</p>
<p><b>500</b> Unless otherwise specified, upon delivery to Seller or manufacture or acquisition by Seller of any materials, parts, tooling, data or other property, title to which is the Buyer, Seller assumes the risk of and shall be responsible for any loss thereof or damage thereto. In accordance with the provisions of this Order, but in any event upon the completion thereof, Seller shall return such property to Buyer in the condition in which it was received except for reasonable wear and tear and except for such property as has been reasonably consumed in the performance of this Order.</p> <p><b>501</b> Upon receipt of Buyer furnished material(s), Seller shall inspect for damage in transit, quantity and correctness to Buyer's packer/release note. Seller shall immediately notify Buyer of any discrepancies.</p>	<p><b>502</b> Seller shall immediately notify Buyer when any material is scrapped and against what applicable Order and part number.</p> <p><b>503</b> Seller shall allow Buyer personnel access at all reasonable times for the purpose of reviewing the inventory of Buyer Furnished Material and the records maintained by the Seller with respect to accountability of Buyer Furnished Material.</p> <p><b>504</b> In case of Buyer Supplied Materials, any remaining material at the conclusion of the order will be dispositioned in accordance with instructions to be furnished by Buyer.</p>