

## Terms and Conditions

### I. Purchasing requirements:

When Supplier receives a Purchase Order, the Purchase Order should be reviewed for accuracy. Attention is called to the following areas due to their importance:

#### 1. PURCHASE ORDER NUMBER:

The Purchase Order Number must appear on all correspondence relating to this order, including shipping documentation, such as the commercial or proforma invoice, packing list, bill of landing and all other required documentation accompanying any shipment to the Buyer or Buyer's customer. If there is no Purchase Order Number, the invoice may be returned to Supplier. Omitting the Purchase Order Number from the invoice or supplying product to RAMPF Composite Solutions, Inc. without a Purchase Order Number may cause payment to be delayed, or possibly, to be forfeited. Please do not take orders verbally without a PO number.

#### 2. SUPPLIER COMMIT DATE:

This is the contractual date of delivery for items purchased under this order. If, for any reason, Supplier cannot meet this date, Supplier must notify the Buyer immediately. Delivery or performance of the Deliverables must be completed within the time limits specified in this purchase order. Delivery shall be deemed to be complete only when the Deliverables have been actually received at the location specified in this purchase order. If delivery or performance is not completed on a timely basis, Buyer may refuse any or all of the Deliverables and cancel all or any part of this contract. Payment for deliveries made prior to this date will not be made until the date specified on the Purchase Order, unless a formal written amendment authorizing early shipment is issued by the Buyer.

#### 3. PURCHASE ORDER ACKNOWLEDGEMENT:

Buyer may send the Purchase Order to you by fax, mail, e-mail or other electronic means. Supplier must acknowledge receipt of the Purchase Order within 2 days after receipt, by using his own form of

acknowledgement or signing the Purchase Order and returning it to the Buyer.

### 4. PAYMENT TERMS:

I&L Precision Inc. has standard payment terms of Net 60 days. Any payment terms other than Net 60 must be requested by the Supplier and agreed to in writing prior to supplying products/services to I&L Precision Inc.

### II. Quality Requirements:

#### 1. RIGHT OF ACCESS

The Buyer, the Buyer's Customers and Regulatory Authorities have right of access to the facilities and records of the Supplier and the Supplier's Sub-tier suppliers. Right of Access to be coordinated between the Buyer and Supplier.

#### 2. PROHIBITED PRACTICES

Unauthorized Repairs: Supplier shall not repair any items that are damaged, found to be faulty during manufacturing, or that fail to meet Buyer specification/drawing requirements, without Buyer's written approval. Change in Approval, Drawing, Processes, Materials, or Procedures: Supplier shall not change any drawing, process, material (including sub-tier supplier parts), or procedure without prior written approval from Buyer, if such drawing, process, material, or procedure was previously approved by Buyer as provided for in the procurement document. Supplier shall not change any process, material or procedure from that used to qualify any item or which was used by Supplier to become a qualified source for Buyer specification/drawing, without prior written approval from Buyer. Re-submittal of Rejected Items: Any item rejected by Buyer and subsequently resubmitted to Buyer shall be clearly identified as a resubmitted item, indicating procurement document number and Buyer reject document number in Supplier's certificate of conformance.

Notification of Facility Change: Supplier shall not use nor relocate any production, manufacturing, and/or processing facilities to differ from previous approval by Buyer, during performance of work specified in the procurement document, without previously notifying



Buyer and affording Buyer an opportunity to examine such facilities for compliance with procurement Quality requirements.

Change of Test Facility: Supplier shall not change a test facility nor use another test facility to meet specification/drawing requirements without prior written approval from

Buyer, if a specific test facility was previously approved by the Buyer as provided for in the procurement document. Change of Management/ Owner: Supplier shall notify Buyer when a significant change in management or ownership has occurred.

### 3. DOCUMENTATION

Buyer may refuse to accept item if Supplier fails to submit certifications, documentation, test data or reports specified by the procurement document.

### 4. SUPPLIER'S BASIC CERTIFICATE OF CONFORMANCE

Supplier shall provide a basic Certificate of Conformance providing a statement that the items furnished, per the Buyer procurement document, have been manufactured, tested and inspected in accordance with the requirements of the applicable specifications/drawings and the results of such tests and inspections meet the requirements. The Certificate of Conformance shall include but is not limited to:

**Supplier Name:**

**Supplier Address:** Supplier shall provide the location where item was manufactured, tested, or supplied from.

**Supplier Part Number and Details:** Supplier Part Number, Part Description, Lot Number, Serial Number, Process Number, Batch Number, etc. as applicable.

**Buyer Name:**

**Buyer Part Number and Details:** Specification and drawing number including applicable revision designation, Procurement document number/revision.

**Supplier Authorized Signature:** Certificate of Conformance shall be signed by the Supplier's authorized representative and shall include title of signatory and date. Any certificate not meeting the above requirements is subject to rejection by Buyer upon receipt.

### 5. MEASURING AND TEST EQUIPMENT

Supplier shall be responsible for validating the accuracy and stability of tools, gauges and test equipment used to demonstrate that any item conforms to the requirements specified by the procurement document. Documented schedules shall be maintained to provide for periodic calibration to

adequate standards. Objective evidence of calibrations shall be recorded and made available for Buyer review.

### 6. FIRST ARTICLE INSPECTION (FAI)

Supplier is required to provide First Article Inspection reports using the SAE AS9102 (latest revision) Standard Forms and method. The use of alternate forms and method are to be approved by Buyer.

### 7. NONCONFORMING MATERIAL

Supplier is responsible to inform Buyer of any product that does not conform to requirements of the procurement documentation. The decision to accept any non-conformance (variance from Buyer drawings and specifications), detected at Supplier facilities, must be made by Buyer unless otherwise specified by the procurement document. Shipment of any non-conforming item shall be accompanied by Buyer's approved document. NOTE: If Nonconforming product has already been shipped (escaped), Supplier must inform Buyer within 24 hours from knowledge of the escape. Supplier shall provide for identification, control and segregation of non-conforming material detected at Supplier. All items delivered by Supplier are subject to incoming inspections. When a quality problem exists with any Supplier item, Buyer may forward a "Corrective Action Request" to Supplier, requiring timely response (as stated on the Corrective Action Request), that shall include the following information: containment action, analysis of the cause of the problem, statement of the action taken to prevent recurrence and the effectiveness of the actions taken.

### 8. CONTROL OF RECORDS

Supplier shall control and maintain records that provide evidence of product conformity to requirements for a minimum of 10 years after final delivery or according to procurement documentation.

These records shall be made available to the Buyer upon request.

### **9. COUNTERFEIT PRODUCT POLICY**

Supplier shall ensure all products are traceable to original manufacturer's lot or batch or trace number through their certificate of compliance. Supplier Certificate of Conformance and OCM/OEM Certificate of Conformance should match lot number traceability. Parts shall only be purchased directly from the OCM/OEM or through the OCM/OEMs franchised distributor. All sub tiers are advised to employ the same practice. Supplier shall not purchase items from sources other than the OCM/OEM without prior written approval from Buyer. In the event of finding use of counterfeit or suspect material, Supplier will advise the Buyer within 24 hours and wait for Buyer direction. Disposition of material should have date of destruction, proof of destruction and clear identification of material part number, quantity etc. A record of destruction must be provided to the Buyer. Supplier will flow down these requirements to all sub-tiers.

OCM = Original Component Manufacture.  
OEM = Original Equipment Manufacturer.

### **10. PACKAGING AND SHIPPING**

Supplier shall control all preservation, packing, storage, shipping and handling to assure that all materials are adequately protected during all phases of contract performance. Packaging and packing shall be in accordance with best commercial practices unless special handling and shipping requirements are further delineated in Procurement documents. Methods used shall be sufficient for protection against damage from normal handling, shipping, and storage conditions. ESD precautions shall apply as applicable and packaging shall be identified with a suitable ESD label. Returnable ESD containers are strongly recommended for use. Finished parts shall be adequately protected to prevent damage during handling and shipment. Parts shall be individually wrapped, bagged, or otherwise protected to prevent part-to-part contact/damage when packaged within a larger pack. The supplier shall be responsible to determine method of packaging to assure adequate protection during transit.

### **11. CONFLICT MINERALS POLICY**

In 2012 the U.S. Securities and Exchange Commission (SEC) provided final rules regarding

conflict minerals reporting for gold, tin, tantalum and tungsten used in products and manufacturing. Suppliers must now disclose if they use these materials and what effort have been undertaken to ensure those metals do not contribute to armed conflict in the Democratic Republic of Congo (DRC) and surrounding areas. In order to comply with the Conflict Minerals regulations (see the link to the U.S. Securities and Exchange Commission final rule <http://www.sec.gov/rules/final/2012/34-67716.pdf>), suppliers to have policy in place that includes DRC conflict-free sourcing and implemented due diligence measures.

### **12. FOD**

All parts shall be packaged in a manner that ensures that risk associated with FOD transfer is mitigated. Materials and accessories used in packaging shall be clean, free of contamination and free of "loose" filler material. This shall include but not be limited to ensuring that no foam 'peanuts', loose foam filler, excess cardboard filler and other like material is used to package any product for shipment.

### **13. HAZARDOUS MATERIALS**

Hazardous material shall be properly contained in accordance with health and safety MSDS requirements or TDS as applicable. The container shall be marked as to the contents with appropriate warnings, precautions, instructions and storage conditions as required and shelf life. All materials with a shelf life shall be clearly marked with an expiry date on each package, or container, and the product shall have at least 95% of its useful life remaining. All material with specific storage requirements such as, "Storage in Freezer when not in use", shall be clearly identified on the packing slip, label and shipping container.

### **14. PERSONNEL QUALIFICATION**

Supplier should keep personnel qualification records appropriate with their organization needs.

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