



Terms & Conditions

1 Definitions

Counterfeit Product means an unauthorized copy, imitation, substitute, or modified part (such as but not limited to material, part or component), which is misrepresented as a specified genuine part of an original or authorized manufacture.

First Article Inspection means the act of comparing the first made physical sample part, component, product or alike, with the corresponding specifications, during which each specified dimension or attribute is measured on the first made physical sample part, component, part or alike and compared against the inspection documents, drawings or specifications.

Foreign Object Debris/Damage means a substance, debris or article alien to the Product which would potentially cause damage ("Foreign Object Damage"), being any damage attributed to a foreign object that can be expressed in physical or economic terms that may or may not degrade the product's required safety and/or performance characteristics.

Product(s) means all goods and/or services detailed on the Purchase Order.

Purchase Order means the purchase order sent by 567 Industrial Technology Group (567 ITG) to the Supplier by e-mail, facsimile or mail or delivered by hand and any listed attachments.

Quality Records means any and all documentation that provide objective quality evidence including but not limited to documentation accompanying the Product, raw material process certification, material certification, shelf-life certificate, special process certification, test reports, certificate of conformity, inspection and test documentation, statistical documentation, process control documentation, results of production process verification and any other quality assurance document as reasonably requested by 567 ITG.

Sub-tier Supplier means any entity that supplies materials, parts, components or services to the Supplier for use in the Products

Supplier means the person or company on whom the Purchase Order is placed

2 General

2.1 These terms and conditions apply:

2.1.1 to all Purchase Orders for product that is directly used in the manufacturing process at 567 ITG.

- 2.2 In case of inconsistencies, these AS9100 Terms and Conditions take precedence over previous Vendor/Sub- Contractor Terms and Conditions.
- 2.3 The Supplier shall flow down all applicable requirements of the Purchase Order and these AS9100 Terms and Conditions to its sub-tier suppliers in its supply chain.
- 2.4 The Supplier shall, upon reasonable request by 567 ITG, use customer-designated or approved sub-tier suppliers, including process sources (e.g., special processes).

3 Quality

- 3.1 Supplier shall establish and maintain Quality Records as evidence of conformity with the contractual requirements and to demonstrate the Supplier's effective operation of its quality management system.
- 3.2 All Quality Records be maintained for a minimum of seven (7) years and be made available to 567 ITG, its customers and or regulatory authorities upon request.
- 3.3 Upon request, the Supplier shall provide its procedure(s) for controlling relevant Quality Records to 567 ITG for review.
- 3.4 Supplier shall notify 567 ITG of nonconforming product(s) or service(s) immediately upon becoming aware of the nonconformity and shall not rectify such nonconformity without 567 ITG's written approval. The Supplier shall also notify 567 ITG of relevant organizational changes and or changes in key personnel.
- 3.5 The Supplier shall notify 567 ITG of any lack of clarity in a drawing or specification immediately upon becoming aware of it.
- 3.6 Supplier shall maintain evidence of 567 ITG's approval of supplier nonconforming product. The Supplier shall take action to determine the root cause(s) and eliminate such root cause(s) of nonconformities in order to prevent recurrence. Upon request, the Supplier shall provide evidence that corrective actions have been successfully implemented.
- 3.7 If non-conforming Product has been released to 567 ITG then the Supplier must notify 567 ITG within twenty-four (24) hours of becoming aware of such release and 567 ITG shall be entitled without prejudice to any other remedy to reject such Product.
- 3.8 Supplier shall notify 567 ITG of any changes in the manufacturing/service processes (including material changes) and, unless approved by 567 ITG in writing, 567 ITG shall be entitled without prejudice to any other remedy to reject such product which has been subject to said changes.



AS9100 Terms & Conditions (continued)

4 Counterfeit

- 4.1 The Supplier shall ensure that Counterfeit Product is not delivered to 567 ITG. In fulfilling its obligations under the Purchase Order, the Supplier shall only purchase goods to be delivered or incorporated as Product to 567 ITG directly from the organization that is the originating source for the production of legitimate components or equipment. Product shall not be acquired from distributors that are independent from the originating organization's authorized distribution chain, without written approval from 567 ITG.
- 4.2 The Supplier shall as soon as practicable notify 567 ITG if the Supplier becomes aware or suspects that it has acquired Counterfeit Product. When requested by 567 ITG, the Supplier shall provide documentation that authenticates traceability of the affected Products to the organization that is the originating source for the production of legitimate components, goods or equipment.
- 4.3 In the event that Product delivered under the Purchase Order constitute or include Counterfeit Product, the Supplier shall, at its expense promptly replace such Counterfeit Product with genuine Product conforming to the requirements of the Purchase Order. Notwithstanding any other provision in the Purchase Order, the Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Product, including without limitation 567 ITG's costs of removing Counterfeit Product, of reinserting replacement Product and of any testing necessitated by the reinstallation of Product after Counterfeit Product has been exchanged.

5 Access, audit and inspection

567 ITG, its customers and regulatory authorities have access to the Supplier and Sub-Tier Supplier facilities at all reasonable times for any purpose in connection with the performance by the Supplier under the Purchase Order. The Supplier shall secure the same rights of access to the premises of its Sub-Tier Suppliers.

- 5.1 All Products under of the Purchase Order are subject to in-process quality surveillance by 567 ITG, its customer and regulatory authorities. 567 ITG shall be entitled to audit the Supplier's quality management system.

- 5.2 The Supplier shall receive advance notification from 567 ITG no less than three (3) business days prior to any Product being available for an in- process quality surveillance as may be requested by 567 ITG from time to time.
- 5.3 Upon request by 567 ITG, the Supplier shall provide evidence to demonstrate that their personnel are aware of:
- 5.3.1 Their contribution to Product conformity;
 - 5.3.2 Their contribution to Product safety;
 - 5.3.3 The importance of competency, qualification and ethical behavior of their employees
- 5.4 In addition to the Quality Records, the Supplier shall provide First Article Inspection documentation. The Supplier must identify the object of the First Article Inspection as such. The Supplier must carry out a First Article Inspection before supplying a Product to the Supplier in case of (a) changes to process, or (b) movement of machines or if the Supplier has not supplied a Product to 567 ITG for a period of more than two (2) years.
- 5.5 Unless the Supplier is the original manufacturer of any and all materials, parts, components or alike of the Product, the Supplier must retain all information, including but not limited to name of original manufacturer, lot number, series, part or heat number, data code, required to identify the origin of such material, part, component or alike. The original manufacturer's certificate of compliance must be retained by the Supplier for a minimum of ten (10) years and be made available by the Supplier upon 567 ITG's reasonable request.
- 5.6 Supplier shall maintain Foreign Object Debris/Damage ("FOD") prevention program including:
- 5.6.1 A review of manufacturing processes to identify and eliminate foreign object entrapment;
 - 5.6.2 567 ITG's right to perform FOD prevention program audits;
 - 5.6.3 Periodic self-audits of the Supplier's internal FOD prevention practices; and
 - 5.6.4 Provision of periodic FOD training to the Supplier's employees