

# PRIME TECHNOLOGY CORPORATION

## PURCHASE ORDER TERMS & QUALITY CLAUSE CONDITIONS

### TERMS

**A:** Seller shall keep confidential all technical and proprietary information furnished to Seller by Buyer in connection with this order, including blueprints, data, designs, drawings, engineering data for production, product know-how, and any other information furnished to Seller by Buyer in connection with this contract. Seller shall not use such items or information in the design, manufacture, or production of any goods, or for any other purchase or for the manufacture of production of larger quantities than those specified, except with the express consent in writing from the Buyer. Seller, including its agents, employees, and representatives will exercise extreme caution to prevent disclosure of such information to third parties. The obligations of this provision shall survive the completion of performance and expiration or termination of this contract.

**B:** Buyer and authorized representatives of Buyer's Customers and / or Regulatory Authorities shall have direct access to all applicable areas of all Seller's and Seller's Subcontractor's Plants (at any level of the supply chain) where work under this P.O. is being performed, to review progress, records and witness testing of the items related to this P.O. Seller shall include this clause in all of Seller's subcontracted Purchase Orders.

**C:** Prior to shipment, Supplier shall notify Prime Technology Corp. if a non-conformance condition exists with the product and obtain approval for nonconforming product disposition.

**D:** Supplier shall notify Prime Technology Corp. of changes in product and/or process changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval.

**E:** Supplier shall flow down to the supply chain the applicable requirements including customer requirements.

**F:** Quantity variances and / or partial shipments are not permitted unless prior written authorization is received from the buyer.

**G:** When the drawing, specification, or purchase order lacks specific packaging instructions, the supplier shall use best commercial practices to ensure that the quality of the delivered part(s) is maintained and that damage, deterioration, and loss in transit are prevented.

Packaged items shall be free of dirt and other contaminants that would contribute to deterioration of the item or which would require cleaning prior to use. Items susceptible to corrosion or deterioration shall be provided protection such as preservative coatings, volatile corrosion inhibitors, or a desiccated environment. Items requiring protection from physical and mechanical damage, or which are fragile, will be protected by wrapping, cushioning, or other means to mitigate shock and vibration, and to prevent damage during handling and storage.

Cushioning or wrap can be any suitable, appropriate material; except newspapers may not be used when painted surfaces are involved. Partitions or divisions must be used when necessary.

Items susceptible to damage by ESD shall be packaged in antistatic bags of conductive carbon ("black poly") or antistatic bags per MILB-81705 Type III. All external and internal packaging shall be properly identified with "ESD Sensitive Item" labels. Transparent "pink poly" bags or material shall not be used where the material can come into direct contact with the product

**H:** Accelerated delivery is encouraged. Any modification that is going to delay delivery requires written authorization from the buyer.

**I:** Supplier Certificate of Conformance is required with all orders. The certification shall include, for each item covered by the certification, the following minimum information: Purchase order number, part number and revision of the item supplied, quantity, serial or lot numbers covered by the certification (as applicable), a legible signature and title of a Quality Assurance Manager or other responsible person. The certification shall include a statement that the item meets all drawing, specification, and/or purchase order requirements. If different from the supplier, the certification must have the manufacturers name and address. Material received without certification is subject to rejection and return to the supplier at the supplier's expense.

**J:** Material Safety Data Sheets (MSDS) and/or certificates of compliance must be provided for restricted, toxic or hazardous substances.

**K:** If Supplier is debarred, or listed on the Excluded Parties List ([www.epls.gov](http://www.epls.gov)), Seller is required to inform the Buyer of such prior to processing any orders. If the Supplier is debarred while an order is being processed, then the Seller is required to notify the Buyer ASAP, and no parts are to ship without the Buyers approval.

**L:** Adequate records of all inspections and tests are to be maintained. Records shall be kept for a period of eight (8) years after final payment for supplies or services.

**M:** The use of suspected unapproved, unapproved, and counterfeit parts must be prevented.

**N:** Supplier must adhere to and be aware of their contribution to product or service conformity, contribute to product safety, and conduct in highest ethical behavior.

**O:** All special processes are to be performed by sources approved by the prime customer and to the latest revision level of the process specification.

**P:** Parts must be 100% inspected and accepted by the supplier. Any rework which needs to be performed after receipt will be debited from the supplier's invoice.

# PRIME TECHNOLOGY CORPORATION

## PURCHASE ORDER TERMS & QUALITY CLAUSE CONDITIONS

**Q:** In a case of nonconformance to drawing requirements, all items must be tagged with the discrepancy. The packing slip shall identify the number of items discrepant.

**R:** The supplier is responsible to ensure that material used for an order, whether consigned by PTC or furnished by the supplier, is to be segregated to ensure traceability and prevent being intermingled with other material. Material consigned by PTC may not be substituted by any other material to complete the order requirements.

**S:** Standard hardware (MS, NAS, BAC, AN etc) shall be manufactured to the latest revision specification and will require certification of compliance indicating the original hardware manufacturer.

**T:** Prime Technology rates supplier performance for delivery of products or services. Supplier ratings will be calculated comparing total lots received against total lots accepted. When acceptable quality objectives are not met for 2 consecutive shipments, suppliers will be notified, and PTC will determine if the supplier will be placed on probation.

**U:** Supplier will notify PTC of any nonconformities discovered after delivery of product within 10 days of discovery.

**V:** Supplier is not authorized to disposition any nonconforming product as Use-As-Is or Repair if it does not meet the contract requirements of our order.

**W:** Supplier must comply with all identified end user requirements if one is referenced on our PO. If an end user is not referenced on the PO then standard T & C apply only per chart below.

**X:** Parts on this order require ITAR compliance. (Required only if identified on PO).

### MANUFACTURER CERTIFICATE OF CONFORMANCE

Manufacturer Certificate of Conformance is required with shipment. The certification shall include, for each item covered by the certification, the following minimum information: Purchase order number, part number and revision of the item supplied, quantity, serial or lot numbers

covered by the certification (as applicable), a legible signature and title of a Quality Assurance Manager or other responsible person. The certification shall include a statement that the item meets all drawing, specification, and/or purchase order requirements.

Supplier shall notify the buyer prior to shipment if specification has been replaced / superseded / updated. List specification as shown on drawing, and then list the replacement specification with current revision.

Material received without correct documentation is subject to rejection and return to the supplier at the supplier's expense.

### SPECIAL PROCESS CERTIFICATION

A Certificate of Conformance to the special processes specified on the purchase order, drawing or specification is required with shipment. Material received without certification(s) is subject to rejection and return to the supplier at the supplier's expense. The certification shall contain, as a minimum, the following information: Purchase order number, part number, revision and serial or lot number(s) of the part(s) covered by the certification. In addition the certification shall include the applicable specification including, as applicable: revision, notice, amendment, type, grade, class, method, or other qualifier, as specified on the purchase order, drawing or specification. The certification shall have a legible signature, and title of a Quality Assurance Manager or other responsible person.

### MATERIAL CERTIFICATION AND TEST REPORTS

Certification(s) for all material and Test Reports are required with shipment. All Certifications must be traceable to the original Mill Lot and Heat Number. The certification shall include, for each item covered by the certification, the following minimum information: Purchase order number, part number and revision of the item supplied, quantity, serial or lot numbers covered by the certification (as applicable), a legible signature and title of a Quality Assurance Manager or other responsible person. The certification shall include a statement that the item meets all drawing, specification, and/or purchase order requirements.

# **PRIME TECHNOLOGY CORPORATION**

---

## **PURCHASE ORDER TERMS & QUALITY CLAUSE CONDITIONS**

All Certifications must show the part number, quantity, process being performed, specification, revision number, and have a legible printed and signed signature and title of responsible person signing the certification.

Supplier shall notify the buyer prior to shipment if specification has been replaced / superseded / updated. List specification as shown on drawing, and then list the replacement specification with current revision.

### **CALIBRATION**

Calibrate in accordance with ISO 17025, ANSI/NCSL Z540.1 or ISO/0012. Prime Technology Corp. Purchase Order Number must appear on all certifications. Pre-calibration and Post-calibration, Calibration Label / Sticker and Calibration Certificate must accompany shipment.

### **TRANSPORTATION**

For shipments exceeding one-hundred (100) pounds, Prime Technology Corp. must be contacted for instructional procedures and approval of such package(s). Unauthorized shipments may result in rejection and/or return of goods.

### **INSURANCE**

All shipments are covered and insured by Prime Technology Corp. Copies of Marine Ocean Cargo Policy can be made available upon request. Prime Technology Corp. reserves the right to charge back unauthorized insurance cost.