



PURCHASE ORDER TERMS AND QUALITY CLAUSE

Q01: TERMS

A: Supplier shall keep confidential all technical and proprietary information furnished to Supplier by Fabri Cote in connection with this order, including blueprints, data, designs, drawings, engineering data for production, product know-how, and any other information furnished to Supplier by Fabri Cote in connection with this contract. Supplier 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 or production of larger quantities than those specified, except with the express consent in writing from Fabri Cote. Supplier, 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: Fabri Cote and authorized representatives of Fabri Cote's Customers and / or Regulatory Authorities shall have direct access to all applicable areas of all Supplier's and Supplier'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. Supplier shall include this clause in all of Supplier's subcontracted Purchase Orders.

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

D: Supplier shall notify Fabri Cote of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain Fabri Cote's approval.

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

F: Supplier shall verify that all special processes required by this purchase order must be performed by qualified personnel.

G: Gauges supplied by Fabri Cote shall be returned with the last shipment on this order. Gauges shall be returned in the same condition as received. Supplier will be responsible for any gauge repair costs if necessary. Gauges must have a current certified calibration sticker when returned to Fabri Cote.

H: Quantity variances and / or partial shipments are not permitted unless prior written authorization is received from Fabri Cote.

I: All goods supplied shall be suitably packaged to protect, marked, and shipped in accordance with Fabri Cote's instructions. In the absence of instruction, Supplier shall contact Fabri Cote. All supplied goods will be returned to the Supplier for inspection if parts are received damaged.

J: Accelerated delivery is not permitted. Any modification to the delivery schedule requires written authorization from the Fabri Cote.

K: Suppliers are responsible to ensure that they and their employees are aware of their contribution to product or service conformity, their contribution to product safety, and importance of ethical behavior.

Q02: CERTIFICATE OF CONFORMANCE

Supplier's Certification of Conformance is required with this order. A legible and reproducible Certificate of Conformance or Supplier's statement of quality will accompany each shipment. Certifications must show the part number, quantity, specification, and revision number, and have a legible printed and signed signature and title of responsible person signing the certification. This certifies the material / services provided by the supplier meet all drawing and / or specifications requirements. Records supporting this certification shall be on file and shall be provided to Fabri Cote upon request at no cost to Fabri Cote.

Q03: MATERIAL AND SPECIAL PROCESSING CERTIFICATIONS

Actual material certifications are required for all Supplier provided material. All certifications must include relevant test reports for physical and chemical analysis per specification referenced in purchase order or per prior purchase agreement. Parts are subject to rejection without correct documentation.

Processing Certifications are required for all Suppliers providing processing. All certifications must indicate that the process has been performed to drawing requirements.

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 Fabri Cote prior to shipment if specification has been replaced / superseded / updated. List specification as shown on drawing and then list the replacement specification with the current revision.

Foreign Object Debris / Damage. All materials supplied to Fabri Cote must be free of foreign objects to include contaminants or any material that is not a component of the part being ordered. Supplier shall maintain an FOD Prevention Program.

Substitute or counterfeit parts/materials. Supplier agrees and shall ensure Counterfeit Work is not delivered to Fabri Cote.

Q04: INSPECTION RECORDS

Each shipment shall be accompanied by copies of actual quantitative records of inspection. Include the nature and number of observations and traceable by part number to the material / or services being provided by the Supplier.

Q05: CALIBRATION

Calibrate in accordance with ISO 10012-1 Fabri Cote's Purchase Order Number must appear on all certifications. All calibrations must be traceable to NIST. Actual calibration results and calibration certification to accompany each shipment.

Q06: U.S. GOVERNMENT SOURCE INSPECTION (US GSI)

Government Source Inspection is required and shall be performed at Supplier's facility prior to shipment. As directed by Fabri Cote, any in process inspection is also mandated by this clause. A minimum of 48-hours notice to Fabri Cote, prior to inspection, is required when this clause is invoked. Supplier shall provide evidence of Government Source Inspection with each shipment.

Q07: SOURCE INSPECTION

Items procured under this purchase order are subject to source inspection by Fabri Cote at Supplier's facility prior to shipment. The Supplier shall furnish acceptable facilities and equipment necessary to perform the required inspection at no cost to Fabri Cote. Please advise Fabri Cote within three working days in advance of the subject material being available for source inspection.

Q08: Record Retention Requirements

Supplier must retain all records for this purchase order for a minimum of 10 years unless otherwise specified.

Q09: Compliance with Laws and Regulations

Supplier agrees to comply with applicable state and federal laws and regulations. Suppliers and employees must also comply with standards of conduct which observe applicable laws and regulations governing wages and hours, respect for human rights of employees and others in your business operations and activities, and maintaining and implementing a policy requiring adherence to lawful business practices.