



# PURCHASE ORDER QUALITY CLAUSES & Terms and Conditions

## 1. ORGANIZATION CHANGE NOTIFICATION

Suppliers are required to notify SealingLife of any change to the organization (i.e. Management, Facility Location, Process Change, or Changes in Product) and, when required, obtain written approval from SealingLife.

## 2. RIGHT OF ACCESS

SealingLife, the SealingLife Customer, the Customer's Customer, and Regulatory Agencies shall be allowed the right of access to determine and verify the quality of work, records, and material at any place, including the plant of the Supplier.

## 3. REQUIREMENTS FLOW DOWN

A Supplier evaluation form must be on file at SealingLife for all new suppliers (excludes existing suppliers that have been grandfather prior to AS9100). SealingLife reserves the right to approve Suppliers based on requirements and resources. All applicable documents and special requirements, including key characteristics, must be flowed down to suppliers.

## 4. QUALITY RECORDS

Quality records must be maintained on file for a minimum of fifteen (15) years (unless otherwise specified) and readily retrievable upon request.

## 5. PRODUCT VERIFICATION

Verification by SealingLife shall not absolve the Supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejections by SealingLife.

## 6. DOCUMENT CONTROL

All documentation supplied by SealingLife shall be permanently (i.e. shredded, permanently deleted, etc. -unrecoverable) destroyed upon completion of the contract. SealingLife will retain records of documents issued to Suppliers for a minimum of seven (7) years (unless otherwise specified) from the time of processing.

## 7. APPROVED PROCESSING SOURCES

Suppliers shall use only end item Customer approved processing sources.

## 8. CONTROL OF NONCONFORMING PRODUCT



Nonconforming product produced from SealingLife provided material will be segregated, tagged, and returned to SealingLife along with completed (Supplier's) internal nonconformance report. Documented cause and corrective action is required.

## 9. SUPPLIER DISCLOSURE NOTIFICATION

Suppliers are required to notify SealingLife on all known nonconformities, which have already shipped to SealingLife and/or SealingLife's customers. Notification shall be timely and in writing. If a SealingLife customer contacts the Supplier directly on a nonconformance issue, the Supplier shall notify SealingLife in a timely manner and supply SealingLife with all the same data/information supplied to SealingLife's customer.

## 10. HANDLING, PACKAGING, PRESERVATION, AND DELIVERY

The Supplier shall use appropriate methods of handling, packaging, and preservation to prevent damage of product in process and during delivery.

## 11. STATISTICAL TECHNIQUES

When required by SealingLife contract, the Supplier shall perform statistical analysis for applicable key characteristics, and provide results upon SealingLife's request or SealingLife's customer's request.

## 12. EVIDENCE OF INSPECTION

A qualified representative of the Supplier's Quality Department shall sign and document acceptance status for each shipment as evidence of 100% inspection. Sampling inspection shall not be performed without prior written approval from SealingLife and SealingLife's customer.

## 13. FIRST ARTICLE REQUIREMENTS

A completed SealingLife inspection report/record form (AS9102) or equivalent, meeting the requirements of AS9102, shall be provided with the first shipment as evidence of 100% inspection of one each part from the first shipment. Delta first articles shall be performed for all minor configuration changes; if a configuration change modifies a part in excess of 30% of the dimensions, a new first article shall be performed. Suppliers with contracts that have been novated or assigned to SealingLife by their customer shall provide a copy of the first article report matching the current configuration, with the first shipment.

## 14. MATERIALS SUPPLIERS

Material supplied against this contract must be purchased from approved sources of the end item users (SealingLife's Customer) when specified.

## 15. NON-DOMESTIC MATERIAL SUPPLIERS

Non-Domestic material supplied against this contract must be purchased from approved sources of the end item users (SealingLife's Customer).



## 16. PERSONNEL

All personnel responsible for handling SealingLife must be deemed competent by the supplier. Suppliers must be aware of their contribution to product and service conformity, product safety, and ethical behavior.

## 17. TEST SPECIMENS

SealingLife reserves the right to request test specimens at any point. Test specimens may be used for design approval, inspection/verification, investigation, or auditing.

## 18. COUNTERFEIT PARTS

SealingLife has implemented a counterfeit parts prevention program. Any suspected counterfeit parts will be returned to the supplier for review. No counterfeit parts will be accepted by SealingLife. Suppliers are encouraged to implement their own counterfeit part prevention program.

## 19. SUPPLIER PERFORMANCE

All SealingLife suppliers are monitored for performance based on quality of products/services and on-time delivery. Suppliers are required to maintain a 95% overall average between their quality and on-time delivery ratings. A supplier rated 70-94% will be considered Needs Improvement. Any supplier rated below 70% will be noted as unacceptable and action must be taken. Suppliers are evaluated once per calendar year. Any underperforming suppliers may be removed from SealingLife's Approved Supplier List. SealingLife reserves the right to request corrective actions from any supplier to address performance issues.

## 20. INTERACTION

SealingLife encourages communication from all suppliers. Acceptable forms of communication are phone calls, emails, or faxes. Suppliers are expected to notify SealingLife of any order status updates or changes immediately.

## 21. TERMS AND CONDITIONS

The following Terms and Conditions apply to this contract.



## TERMS AND CONDITIONS

1. The Seller, by acceptance of this Order, accepts all the terms and conditions hereof. Acceptance of this Order shall take place either by execution and return of the signed acknowledgment copy accompanying this purchase order or by part performance of this Order. Any modifications or alterations of or additions to the terms and conditions of this Order, to be binding must be in writing, signed by an authorized representative of the Purchaser and delivered by the Purchaser to the Seller. Any term, condition, or reservation, inconsistent with the terms hereof that may be contained in any printed or standard acknowledgement, invoice form, or other document issued by Seller shall be of no effect (Purchaser hereby objects to any such inconsistent terms, conditions, or reservations, and notifies Seller that they are rejected) notwithstanding Purchaser's act of accepting or paying for any shipment or otherwise performing the obligations on its part to be observed or performed hereunder.

2. Unless otherwise stated in this Order, terms are Net Thirty (30) days after delivery of goods and receipt of invoices.

3. Seller represents that any price or prices specified in this Order do not exceed Seller's current selling prices for the same or substantially similar goods. Unless otherwise stipulated all prices inserted on the face of this Order shall represent the total cost to the Purchaser as at the point of delivery specified herein, including all sales taxes, excise taxes, and customs duties and other Government and Municipal taxes, levies, and charges of every description and charges for packing, crating, boxing, storage, and shipping charges. If price is not stipulated on this Order, it is not to be filled at higher prices than last previously quoted or charged without written authority of purchaser.

4. All goods shall be shipped F.O.B. as stated on the face of this order. If goods are shipped F.O.B. destination or Purchaser's plant, shipping charges must be prepaid in all cases. No insurance premium or shipping costs will be allowed unless authorized in writing. Goods must be packed and delivered to conform to Uniform Freight Classification to obtain lowest shipping rate. Packing slips must be enclosed with all shipments showing order number, line number, release number, if any, and quantity. Charges accrued through Seller's failure to ship in accordance with Purchaser's shipping instructions will be charged to Seller's account.

5. Time shall be of the essence in this Order. The goods must be delivered strictly in accordance with the quantities, specifications, and delivery schedule specified, otherwise, in addition to its legal remedies, Purchaser shall be at liberty to cancel this Order, in whole or in part. Purchaser assumes no obligation for goods shipped in excess of quantities specified in this Order or prior to delivery schedule specified.

6. Goods are subject to inspection by Purchaser and Purchaser shall be the final judge of the goods. No payment will be made to Seller in respect to any goods, which are rejected on such inspection. Purchaser reserves the right to retain any portion of any shipment not strictly in accordance with



specification and in such case will pay to Seller a reasonable price therefore, but such retention shall not preclude Purchaser from rejecting the remainder of any or other shipments. Rejected goods will be held for Seller's instructions and at its risk and expense. If instructions are not received within fifteen (15) days after notice of rejection, goods will be returned at Seller's expense. No goods returned as defective shall be replaced without Purchaser's written permission. Where re-work is required to meet specification requirements, such re-work shall be arranged for by Seller at no cost to Purchaser. Payment for goods shall not constitute acceptance thereof by Purchaser nor shall Purchaser's inspection or omission to inspect relieve Seller of its obligation to furnish all goods in strict accordance with all terms and provisions of this Order.

7. Seller expressly warrants that all goods covered by this Order will be fit and sufficient for the purpose intended, merchantable, of good design, material, and workmanship, free from defects and will conform to applicable specifications, drawings, samples, or description.

8. Seller agrees to indemnify and save harmless Purchaser, its successors and assigns, against all damages, expense, claims, demands, actions, suits, and proceedings for actual or alleged infringement of an patent, copyright, or trademark by reason of the sale, use, or incorporation into manufactured products, of the good furnished hereunder.

9. This Order shall not be assigned in whole or in part without the previous written consent of the Purchaser.

10. The remedies herein reserved shall be cumulative and additional to any other and further remedies provided in law or equity. No waiver of a breach of any provision of this contract shall constitute a waiver of any other breach, or of such provision.

11. The Seller shall not, without first obtaining the written consent of the Purchaser, in any manner advertise or publish the fact that Seller has contracted to furnish to Purchaser the goods herein mentioned, and for failure to observe this provision the Purchaser shall have the right to cancel the contract resulting from acceptance of this Order, without any further liability thereon.

12. If Seller ceases to conduct its operations in the normal course of business (including inability to meet its obligations as they mature), or if any proceedings under any bankruptcy or insolvency laws is brought by or against Seller, or a receiver for Seller is appointed or applied for, or an assignment for the benefit of creditors is made by Seller, Purchaser may terminate this Order without any liability, except for deliveries previously made.

13. Seller shall keep confidential all information, drawings, specifications, or data furnished by Purchaser, or prepared by Seller specifically in connection with the performance of this Order and shall not divulge or use such information, drawings, specifications or data to or for the benefit of any other party. Seller agrees that if the goods covered by this Order are to be manufactured to design or technical data furnished by Purchaser, the Seller shall not, without the prior written consent of Purchaser, manufacture any such goods except for and upon order of the Purchaser.



14. The obligations of Seller contained herein shall survive acceptance of the goods and payment therefore by the Purchaser.

15. Termination for Convenience/Basis for Termination; Notice – SealingLife may, from time to time, terminate all or part of any Order issued hereunder, by written notice to Seller. Any such written notice of termination shall specify the effective date and the extent of any such termination.

16. This Order shall be governed in all aspects by the laws of the State of Kentucky.

17. Acknowledgement of receipt and acceptance of the above SealingLife Purchase Order Quality Clauses & Terms and Conditions are constituted via a response (i.e., quote submittal).