

# Supplier Terms and Conditions

## General Terms and Conditions

QA 0	<p>Purchase Order Acknowledgment</p> <p>Supplier shall acknowledge the Purchase Order by signing and returning the Purchase Order to Purchaser. The acknowledgment of the Purchase Order shall constitute the entire agreement between Supplier and Purchaser and no representation or statements by any employee or agent not expressly stated in the Purchase Order shall be binding upon the Purchaser.</p> <p>Receipt of the purchase order by an employee or agent of the supplier constitutes acknowledgment by the supplier.</p> <p>In the absence of such acknowledgment, the performance of the Purchase Order by Supplier shall constitute acceptance of the Purchase Order.</p> <p>Supplier, at its expense, shall deliver the Goods using the mode, on the date and at the place specified in the Purchase Order in which any required advance notification of delivery may be indicated. Unless stated otherwise in the Purchase Order, Supplier at its cost shall unload the Goods at the specified location.</p> <p>Purchaser reserves the right at any time in relation to the Goods to make a Revision to the Purchase Order to correct any errors or omissions therein or to make any changes including in respect of specifications, quantity and delivery.</p> <p>A Revision shall be made through the issue of a document titled "Purchase Order" having the same Purchase Order number as the previously executed Purchase Order except the changed shall be documented on the Purchase Order in chronological order and shall be defined as a revised Purchase Order.</p> <p>Supplier must not make such corrections or changes until the resulting cost and time impacts have been agreed between the parties and the proper Purchase Order document with the appropriate revision has been authorized and issued by Purchaser and acknowledged and accepted by Supplier. Thereafter Supplier agrees to take immediate and necessary action to comply with such Revision to the Purchase Order.</p> <p>Purchaser reserves the rights to cancel this order in whole or in part if delivery is not made in accordance with all the terms of the Purchase Order.</p>
QA 1	<p>Machining Suppliers must furnish inspection report, certificate of conformance and as applicable material and processing certifications for the parts they submit. Material must be USA domestic unless otherwise authorized.</p>
QA 2	<p>Documented first article inspection reports shall be submitted to Quality dept. prior to the beginning of production. The Supplier assumes all financial responsibility for replacement, rework and material when production of parts is begun without first article inspection approval from quality. AS9102 F/A form when stipulated on .P.O.</p>
QA 3	<p>Any delay in shipment for any reason has to be conveyed to Premier Gear's Quality dept. as soon as the delay is known by the supplier.</p>
QA 4	<p>Any change to the contract requirements by the supplier must be approved by Premier Gear in writing.</p>
QA 5	<p>All information in the contract must be held in confidence by the supplier and no third party request for information will be authorized unless instructed in writing by a Premier Gear representative. When ITAR and/or Government Rated data is noted on the Purchase order, the US Government restrictions must be followed. If you have any questions concerning ITAR or Government rating notify the company buyer. All concerns must be answered prior to you accepting this order. All documents to be retained for 15-years minimum unless extended retention is required by customer quality flowdown.</p>
QA 6	<p>In addition to our right of access, the supplier agrees to right of access for <i>our</i> Customers (Primary or Prime Customer), or regulatory agencies to the applicable areas of all facilities, <i>at any level of the supply chain</i>, involved in the order and to all applicable records.</p>
QA 7	<p>Quality management system must be compliant to AS9003, AC7004, and AS9100 (current revision) or ISO9001:2008 or a quality system approved by Premier Gear. Furthermore, the supplier shall ensure that persons involved in the processing of Premier Gear Components' purchase orders be made aware of their contribution to product and service conformity, their contribution to product safety, and the importance of ethical behavior.</p>
QA 8	<p>Suppliers are required to notify Premier Gear's quality prior to transferring any work to a new facility. Customer will determine prior to the transfer if subcontractor may perform the transfer of work. Supplier must notify the organization of changes in product and/or processes <i>or suppliers</i> that affect product quality or product requirements.</p>
QA 9	<p>Supplier must notify the Customer of nonconforming product</p>
QA 10	<p>Supplier must obtain approval by the Customer of supplier nonconforming material <i>disposition</i>.</p>
QA 11	<p>Supplier must flow down (to sub-tier suppliers) the applicable requirements in the purchasing documents, including key characteristics where required and positive Foreign Object Damage (F.O.D.) control processes</p>
QA 12	<p>Requirements for the supplier to comply with executive order E13224. Supplier shall not engage in any transaction of any type with persons or businesses or organizations who commit, threaten to commit or support terrorism.</p>

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<b>For Processing suppliers, the following are the minimum requirements.</b>	
<b>QA 13</b>	Processing suppliers must furnish processing certifications to the purchase order requirements, and shall not process any parts for which they are not certified or approved. As required by Customer Contract, Certification and approval for the required process and/or specification is required. Acceptable quality systems requirements are NADCAP certification or a system approved by Premier Gear. <b>QA 0, QA 3, QA 4, QA 5, QA 6, QA 7,QA 8, QA 9, QA 10, QA 11, QA 12, QA 17, QA 21, QA 22, QA 23,QA 24, QA 25.</b>
<b>For Material suppliers, the following are the minimum requirements.</b>	
<b>QA 14</b>	Material suppliers must furnish material certifications with actual chemical and physical test reports from the lot represented per the specification indicated per the purchase order requirements, and shall not supply material for which they are not certified or approved. Raw material supplied must be USA domestic material or DFAR compliant unless otherwise specified or approved. Acceptable quality system requirement are AS9003, AC7004, and AS9100 (current revision) or ISO9001:2008. <b>QA 0, QA 3, QA 4, QA 5, QA 6, QA 7, QA 8, QA 9, QA 10, QA 11, QA 12, QA 17, QA 21, QA 22, QA 23,QA 24, QA 25.</b>
<b>For Machining and Manufacturing suppliers, the following are the minimum requirements.</b>	
<b>QA 15</b>	For Machining and Manufacturing suppliers <b>QA 1 - QA 12 and QA 17, QA 21, QA 22, QA 23, QA 24, QA 25.</b> are applicable
<b>For Calibration/Testing suppliers, the following are the minimum requirements.</b>	
<b>QA 16</b>	Calibration/test suppliers must furnish calibration/test reports to the purchase order requirements, and be traceable to the specific equipment or item for which they are calibrating or testing traceability to NIST and/or other national or international standards must be supplied ISO9001:2008, ISO 17025, Nadcap testing, ANSI Z540, and/or Navlap accreditation will be the quality system requirements. Actual data must be supplied. <b>QA 3, QA 4, QA 5, QA 6, QA 0, QA 7, QA 8, QA 9, QA 10, QA 11, QA 12, QA 17, QA 21, QA 22, QA 23, QA 24, QA 25.</b>
<b>Measurement of Quality and Delivery</b>	
<b>QA 17</b>	Supplier must meet a minimum of 95% Quality and 90% on time delivery and must not have more than three corrective actions completed or pending against them in any 12 month period to remain on Premier Gear's approved supplier list. When a supplier is determined to be unfit for retention on the ASL, the Quality Manager will notify the supplier of their suspension or termination from the ASL. Causes for removal from the ASL may be: excessive late deliveries (determined on impact to customer delivery schedule), quality rejections, inability to negotiate terms or conditions, or other factors as determined by the Quality Manager.
All suppliers must comply with the basic Quality Clauses. Additional Quality clauses will be noted on the Purchase Order as applicable.	
<b>Export Compliance Notice</b>	
<b>QA 18</b>	EXPORT COMPLIANCE NOTICE: No goods purchased, manufactured or otherwise acquired for use in the performance of or to be delivered under this purchase order shall be transported on vessels, aircraft or other carriers leased to or from, owned, operated, or controlled by any prohibited country identified in the International Traffic in Arms Regulation (ITAR), 22 CFR 126."
<b>ITAR Controlled Products</b>	
<b>QA 19</b>	ITAR CONTROLLED PRODUCTS WARNING: In the event these commodities, technologies or software products become subject to the international traffic in arms regulations, contained in 22 CFR 120-130, it is prohibited to transfer any of the above to foreign nationals without the express approval of The Directorate of Defense Trade Controls. Violations are punishable by both civil and criminal penalties, which may be severe
<b>Supplier Verification at Subcontractors Premises</b>	
<b>QA20</b>	Prior to shipment, Premier Gear reserves the right to perform first article, in process, or final inspection at the supplier's facility or at the supplier's sub-contractors facility. Upon request, the supplier shall make available to Premier representatives any measuring and test equipment, facilities and/or personnel to facilitate the inspection.

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Record Retention	
QA 21	Unless otherwise specified, supplier records which provide verifiable evidence of compliance to the Purchase order shall be retained for a minimum period of 10 (ten) years from the closing of the purchase order unless otherwise specified.
Packaging and Preservation	
QA 22	The supplier shall ensure appropriate packaging and preservation methods are used for parts and other products supplied to Premier Gear. Parts and other products shall be free of damage including corrosion.
Foreign Object Damage (FOD)	
QA 23	Seller shall utilize positive Foreign Object Damage (FOD) Control. Parts and other products supplied to Premier Gear shall be free of Foreign Object Damage and Foreign Object Debris.
Counterfeit Parts Control	
QA24	The supplier shall verify the procurement source and associated certifying paperwork. Appropriate incoming inspection test methods shall be used to detect potential counterfeit parts and materials. The supplier shall flow this requirement down to all sub-tier suppliers to prevent the inadvertent use of counterfeit parts and materials. The supplier shall notify Premier Gear if suspected counterfeit parts have been detected and/or shipped to Premier Gear.
Risk Assessment	
QA25	The supplier, prior to acceptance of the purchase order shall perform a risk assessment and notify Premier Gear if any adverse risk is present that may affect the performance of the purchase order.

Revised 11-16-12 S.M. Added 95% quality, When a supplier is determined to be unfit for retention on the ASL, the Quality Manager will notify the supplier of their suspension or termination from the ASL., Causes for removal from the ASL may be: excessive late deliveries (determined on impact to customer delivery schedule), quality rejections, inability to negotiate terms or conditions, or other factors as determined by the Quality Manager and removed Premier Gear may request supplier to submit....to QA 17

Revised 01-03-13 added QA 0 and added QA 0 to QA 13, QA 14, QA 15 and QA 16

Revised 06-25-13 added "or suppliers" to QA-8 s.m.

Revised Rev. H to Rev. I 10-16-13 added QA 21 Record Retention, QA 22 Packaging and Preservation and QA 23 Foreign Object Damage. And added QA 21, QA 22, QA 23 to QA 13, QA 14, QA 15, QA 16

Revised Rev. I to Rev. J 09-09-15 Changed 10 years to 15 years (document retention) in QA-5 to meet Parker req't S.M.

Revised 08-24-17 Rev. J to K added "furthermore the supplier shall" ..to QA 7, Added QA 24, and QA 25. Added QA 7 to QA 13, 14, 16. Added QA 24 and QA 25 to QA 13, 14, 15, 16. S.M.