



Onamac Industries Purchase Order Terms and Conditions

The Seller, by acceptance of an Order that references these Terms and Conditions, agrees that it will comply with the following requirements. Contact the Onamac Purchasing Department to resolve any discrepancies or questions regarding Terms and Conditions as they apply to this Purchase Order.

Right of Entry

Onamac Customers, Government regulatory agencies and Onamac Industries Inc. shall have the right of entry into supplier's facility for the purpose of verification of materials, quality systems, manufacturing and documentation. Right of Entry flows down to all facilities used in fulfillment of this order.

Quality Records

All quality records pertaining to inspection certifications of material, test reports and qualification data must be legible, stored and retained a minimum of seven (7) years.

Quality System

Seller will maintain a quality and calibration system meeting one of the following requirements as applicable: D1-9000, AS9100, ISO 9000 or equivalent to insure the requirements of the material and workmanship clause are complied with. That system shall be capable of correcting non-conformances and preventing their reoccurrence. Seller shall provide and maintain a quality control system acceptable to Buyer. Buyer reserves the right to approve Seller based on requirements and resources.

Inspection Requirements and Nonconformance

All material shall be received subject to Buyer's Inspection and acceptance or rejection. In case any of the material is found to be defective or otherwise not in conformity with the requirements of this order, buyer shall have the right to reject the same or require that such material be corrected or replaced promptly with satisfactory material. If Buyer rejects the material and the Seller fails to proceed promptly with the replacement or correction, the Buyer may terminate this order for default, or may replace or correct such material, and in either event may charge Seller the cost of damages occurred. Rejected or defective material not in accordance with Buyer's specifications will be held for Seller's instructions and at Seller's risk and if Seller so directs will be returned at Seller's expense.

Unless buyer at its option notifies Seller to the contrary, any material returned as defective shall be replaced without a new order. Payment for material on this order prior to inspection shall not constitute an acceptance thereof. Root cause and corrective action documents to be completed by Seller when requested by Buyer.

Notice of Escape

Supplier shall immediately notify Onamac when discrepancies in the Supplier's process or product are discovered or suspected which may affect parts or assemblies that Supplier has delivered or will deliver.

Changes

Buyer's Material Representative may at any time, by a written order make changes within the general scope of this order, in any one or more of the following: (I) drawings, designs, or specifications: (II) method of shipment or packing: (III) place of inspection, delivery or acceptance (IV) reasonable increases in quantities (V) reasonable changes in delivery schedules: (VI) the amount of Buyer-furnished property. Seller shall proceed immediately to perform this order as changed. If any such change causes an increase or decrease in the cost of or in the time required for the performance of any part of the work under this order, whether changed or not changed by any such order, an equitable adjustment shall be made in the purchase price or delivery schedule, or both, and this order shall be modified in writing accordingly. Unless otherwise agreed, any claim by Seller for adjustment under this clause must be asserted within thirty (30)



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days from the date of receipt by Seller of such written order or if Seller considers that conduct of Buyer has constituted a change hereunder. Buyer has the right to examine any of Seller's pertinent books and record for the purpose of verifying Seller's claim. Nothing in this clause shall excuse Seller from proceeding with this order as changed, including failure of the parties to agree upon any adjustment to be made under this clause.

All changes to a product or process definition made by Seller must be approved in writing by Buyer before proceeding with such changes.

Packaging and Shipping

All Goods are shipped F.O.B. Buyer's destination unless otherwise stated on the face of an Order. If Goods are shipped F.O.B. destination or Buyer's plant, shipping charges must be prepaid in all cases. No insurance premium or shipping costs will be allowed unless authorized in writing. Charges accrued through Seller's failure to ship in accordance with Buyer's shipping instructions will be charged to Seller's account.

All goods shall be described, prepared for shipment and packed to prevent damage, secure lowest transportation rates and comply with carrier tariffs. No charges will be paid by Buyer for preparation, packing, crating or cartage unless separately stated in the order. Each container shall be consecutively numbered and marked with purchase order numbers. Containers and purchase order numbers shall be indicated on bill of lading. Packing lists showing purchase order numbers shall be attached to No. 1 container of each shipment.

Document Control

All planning, drawing, specifications, etc. issued with the purchase order are of the most current revision in effect on date of purchase order unless otherwise noted. Supplier shall keep confidential and protect from disclosure all information and property obtained from Onamac. In the event of completion, termination or cancellation of this order, Supplier shall return all such information and property to Onamac or make such other disposition as directed. Suppliers shall request specifications required for the manufacturing process on an as needed basis, all requests will be submitted through Onamac's Purchasing Agent.

Subcontracting

All subcontracting on this order is restricted and any exceptions are to be approved by Buyer in writing.

Compliance With Laws

Seller will conduct operations in a manner that is fully compliant with all the applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety and environmental protection. Any material violation by Seller of applicable laws relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, of the country or countries in which the Seller is performing work under this agreement may be considered a material breach of this agreement.

Warranty

Seller represents, warrants and guarantees that all articles or materials delivered hereunder shall be free from defect, and that such article or materials when delivered will conform to specifications, drawings and descriptions specified.

Product Specific Additional Requirements

Processing-Certification is required for all special processing (e.g., heat treat, shot peen, chrome, etc.). Special processes shall only be performed by approved sources as specified in applicable purchase order/contract, drawing or specification. Supplier shall furnish functional test reports or results as required by the applicable purchase order/contract, specification or drawing.



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Calibration Service Suppliers-Suppliers of calibrations services shall meet the requirements of ISO10012 of ANSI/NCSL Z540.1 or equivalent standard. Calibrations performed shall be traceable to NIST or other recognized international standards.